

CITY OF BELLE GLADE, FLORIDA
COMPREHENSIVE ANNUAL
FINANCIAL REPORT

SEPTEMBER 30, 2011



PREPARED BY THE FINANCE DEPARTMENT

DIANA L. HUGHES

ASSISTANT FINANCE DIRECTOR

CITY OF BELLE GLADE, FLORIDA

SEPTEMBER 30, 2011

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CITY OF BELLE GLADE, FLORIDA

SEPTEMBER 30, 2011

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INTRODUCTORY SECTION



City of Belle Glade

Department of Finance

A Municipal Corporation since
September 11, 1945

October 15, 2012

To the Citizens, City Commission, and City Manager

Tel: 561-996-0100
Fax: 561-992-2215

www.bellegladegov.com

Commissioners

Steve B. Wilson
Mayor

Mary Ross Wilkerson
Vice Mayor

Michael C. Martin
Treasurer

Johnny Burroughs, Jr.

Larry Underwood

Lomax Harrelle
City Manager

INTRODUCTION

The City of Belle Glade follows a policy of preparing a complete set of financial statements in conformity with generally accepted accounting principles at the end of each fiscal year. These financial statements are audited by a licensed certified public accounting firm. The financial statement audit has been completed, and we hereby issue the Comprehensive Annual Financial Report of the City of Belle Glade for fiscal year ending September 30, 2011.

This report consists of management's representations concerning the finances for the City of Belle Glade. Management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Belle Glade has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to communicate sufficient reliable information for the City of Belle Glade's financial statements in conformity with generally accepted accounting principles. The City of Belle Glade's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Belle Glade's financial statements have been audited by Nowlen, Holt, & Miner, P.A., a licensed certified public accounting firm. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Belle Glade for the fiscal year ending September 30, 2011 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting amounts and disclosures in the financial statements; assessing the accounting principles used and the significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor's report is presented as the first component of the financial section of this report. This report contains financial information and data using the new

financial reporting format established for governments by the Governmental Accounting Standards Board (GASB). The GASB sets accounting and financial reporting standards for governments in the United States of America.

The new financial reporting standards require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Belle Glade's MD&A can be found immediately following the report of the independent auditors.

The City's World Wide Web page (www.bellegladegov.com) provides information on the natural resources, recreational amenities available in the Belle Glade area, as well as provides citizens with up to date information on City's activities, events and contracts.

PROFILE OF THE CITY AND ITS OPERATIONS

The City of Belle Glade is located in western Palm Beach County on the southeast corner of Lake Okeechobee, the second largest freshwater lake within the contiguous United States of America. Palm Beach County has been recognized as one of the fastest growing counties in both the state and the nation. The City is a rural community, centrally located between the east and west coasts of Florida about 42 miles west of West Palm Beach and is approximately 5 square miles in size.

The population of 17,667 is primarily employed in various agricultural business and related industries within the greater Belle Glade area. The City issues approximately 1,270 business tax receipts for a wide range of businesses doing business within the corporate limits.

The City has a commissioner/manager form of government, with the five commissioners elected at large for staggered three-year terms. Elections are held on the second Tuesday in March each election year. The City employs a full-time City Manager who is the chief executive officer of the City.

The City provides a various range of municipal services to its citizenry. These services include culture-recreation, highways and streets, sanitation and recycling, park facilities, planning, zoning and general administrative services. Police department was transferred to Palm Beach County Sheriff Department during July 2006, and fire and emergency medical services were transferred to Palm Beach County Fire Department effective October 1, 2006. Along with general governmental activities, the Mayor and Commission appoint members to the governing bodies of the General Employees' Pension and the Retired Public Safety Officers' Trust Boards. Additionally, the legislative body appoints the Belle Glade Housing Authority (BGHA) board members. However, pursuant to Statement 14 of the Governmental Accounting Standards Board, the BGHA does not qualify as a component unit of the City and thus their financial information is excluded from this report.

The City maintains budgetary controls over revenues and expenditures. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Commission. Activities of the General, Special Revenue, Capital Projects, Expendable Trust and Proprietary Funds are included in the annual appropriated budget. The level of

budgetary control is established by object classification (Personal services, operating expenses, capital outlay, and debt service) within each department. Budgetary reports are issued and reviewed monthly. The City also maintains an encumbrance accounting system as a budgetary control technique. All encumbered amounts lapse at year-end. Budget to actual comparisons are provided in the report for each governmental fund for which an appropriated annual budget has been adopted.

FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements is perhaps best understood when it is considered in relationship to the City's specific environment and the City's plans for the future.

Local Economy

About 48% of the City's total revenue applicable to its governmental-type activities is derived from tax revenues. Tax revenues included five major sources: ad valorem property tax, local option gas tax, utility taxes, sales taxes and franchise fees. The ad valorem property tax rate for fiscal year 2011 was 6.419 mills.

City Initiatives Underway

- The City is continuing to pursue an aggressive approach to economic development. In conjunction with Palm Beach County and many other agencies, the City has begun to promote the Belle Glade area as an attractive business location for new as well as expanding or relocating businesses.
- The City continues to work with the Community Redevelopment Agency within the downtown area of the City. The CRA is designed to assist in the elimination of slum and blight conditions in that section of the City and will continue working with Palm Beach County's Economic Development Office for the development of a "downtown core" to increase economic activity.
- The City continues its aggressive campaign to beautify and cleanup the City through stricter code enforcement. The campaign is aimed at improving overall aesthetics of the City through education and assistance to residents as well as businesses. This campaign has enticed various businesses on the City's Main Street to renovate the exteriors of their buildings.
- The City has a Youth Violence Prevention Program in partnership with Palm Beach County and the program adheres to the Criminal Justice Commission's Implementation Plan. Under the program, the City has established a Youth Empowerment Center that provides activities and services to youth ages 13-18, including after school programs and activities, tutoring/mentoring, job training for in school and out of school youth, gang prevention outreach, parenting classes, employment services, safe school programs and information on resources.
- The City continues its partnership with Florida Department of Transportation (FDOT) and Department of Environment Protection (DEP) to resolve the mitigation of the contaminated 19 acres at the Airport. Subject to the amount of available funding, the City, FDOT and DEP will

formulate a mitigation plan. The City previously completed a Strategic Business Plan for the Belle Glade Municipal Airport. The City's Aviation Master Plan is currently being updated.

- The City has taken an aggressive approach in rehabilitating the City's parks. Various grants have been received to improve the City park system.
- The City is progressing on schedule with its comprehensive plan to renovate the Belle Glade Marina area. The project plan tasks include renovating various Marina's facilities and infrastructure. Staging docks, boating ramps with floating docks, piers, pedestrian bridges and sediment removal were all completed during the fiscal year.
- The City has received funding for the planning and design work for the construction of a boat lock to allow passage of small vessels between the Florida waterways which are adjacent to, as well as within the City. The boat lock design is in accordance with the City of Belle Glade Lock Concept Report. Since the City held the "kick off" meeting for major stakeholders associated with the project, the consultants and staff have completed the preparation of the boat lock design.
- The City has a neighbor transit system known as the Belle Glade Express that provides economical transportation to the transit-dependent citizens. During the transit systems second year ridership increased as the Belle Glade Express became a popular means of transportation.

Cash Resources and Practices

The cash management program involves minimizing credit and market risks while maintaining a competitive yield on its portfolio. The City is authorized to make direct investments in U.S. Government and federal agency obligations, repurchase agreements or to arrange interest-bearing time deposits with qualified public depositories. In addition, restricted funds held by outside custodians on behalf of the Employees' Retirement and Deferred Compensation Funds are invested by the outside custodians pursuant to the applicable trust or escrow agreements. Accordingly, except for certain funds held pursuant to trust or escrow agreements, deposits were either insured by federal depository insurance or collateralized.

Risk Management

The City continues to purchase commercial insurance to cover various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disaster. No claims were settled that exceed the insurance coverage during the last three years. Risk retention is limited to those items which are not insurable, with deductible levels ranging from \$500 to \$2,500 per occurrence.

Risks that are not insured include damages to infrastructure or assets less than \$1,000; however, the amount of the loss cannot be reasonable estimated and the probability of the event of a loss cannot be determined. Therefore, the City makes no provision for losses in the financial statements.

Currently the City of Belle Glade's group health coverage is insured with Blue Cross Blue Shield of Florida through Public Risk Management Health Trust pool. Coverage through Public Risk Management Health Trust has allowed the City the opportunity to control health coverage expense by sharing the risk with other members in the pool.

Long-Term Debt Administration

The City currently has no financial long-term debt outstanding. Other post employment benefits, compensated absences, claims and judgments are listed in the financial statements.

Trust Funds

Trust Funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government.

The City has two pension trust funds used to account for its retirement system: the General Employees' and the Retired Public Officers' Safety Trust Funds. The Retired Public Officers' Trust Fund was created to fund the benefits for vested member of the Firefighters Pension and Police Officers' Pension Plans that were closed during Fiscal Year 2009.

Staff Contributions

The preparation of the Comprehensive Annual Financial Report was made possible by the dedicated efforts of the Finance Department's staff. Each member of the department has my sincere appreciation for the contributions made in the preparation of this report. I would also like to thank the City Manager and City Commission for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

In conclusion, this report reflects the sound financial position and progressive manner in which the City continues to provide necessary services to the citizens of Belle Glade.

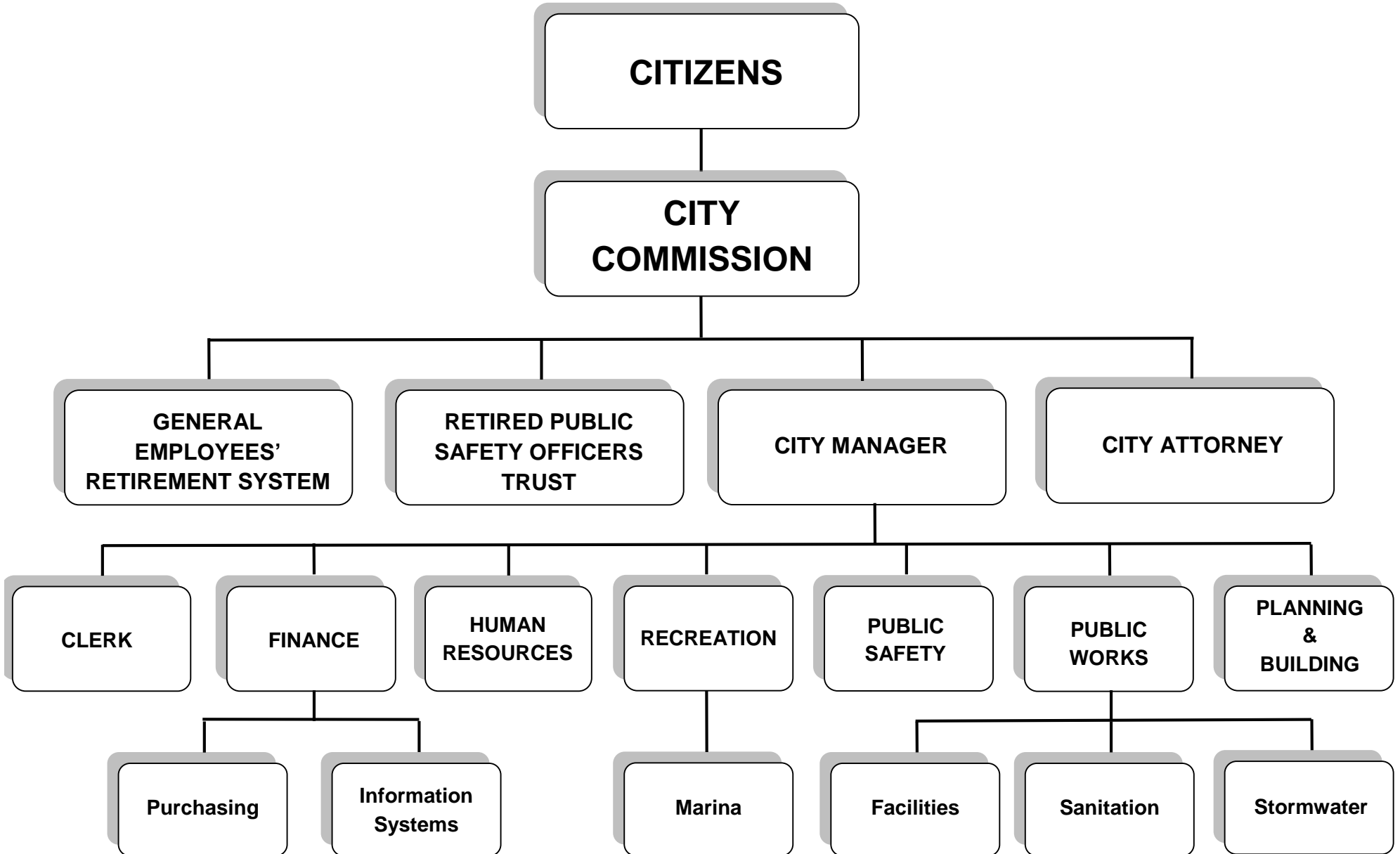
Respectfully submitted,



Diana L. Hughes
Assistant Finance Director

CITY OF BELLE GLADE, FLORIDA

ORGANIZATION CHART



CITY COMMISSION – September 30, 2011

STEVE B. WILSON	MAYOR
GWENDOLYN ASIA-HOLLEY	VICE-MAYOR
WILLIAM A. GREAR, JR.	COMMISSIONER
MICHAEL C. MARTIN	COMMISSIONER
MARY ROSS WILKERSON	COMMISSIONER

City Officials

Lomax Harrelle	City Manager
Beverly Scott Jones	Assistant to the City Manager
Debra R. Buff, CMC	City Clerk
Diana L. Hughes	Assistant Finance Director
Vivian Hunter	Director of Human Resources
Robert McGahee	Director of Public Works
Annette Parchment	Director of Planning & Community Redevelopment Services
J. D. Patrick	Director of Recreation

City Attorney

GLEN J. TORCIVIA & ASSOC., P.A.

Independent Certified Public Accountants

Nowlen, Holt & Miner, P.A.

FINANCIAL SECTION



NOWLEN, HOLT & MINER, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

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NORTHBRIDGE CENTRE
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POST OFFICE BOX 347
WEST PALM BEACH, FLORIDA 33402-0347
TELEPHONE (561) 659-3060
FAX (561) 835-0628
WWW.NHMCOPA.COM

EVERETT B. NOWLEN (1930-1984), CPA
EDWARD T. HOLT, CPA
WILLIAM B. MINER, CPA
ROBERT W. HENDRIX, JR., CPA
JANET R. BARICEVICH, CPA
TERRY L. MORTON, JR., CPA
N. RONALD BENNETT, CPA
ALEXIA G. VARGA, CFE, CPA
EDWARD T. HOLT, JR., CPA
BRIAN J. BRESCIA, CFP®, CPA

KATHLEEN A. MINER, CPA
J. MICHAEL STEVENS, CPA
KARA D. PETERSON, CFE, CPA
MARK J. BYMASTER, CPA
PUI K. LAI, CPA
RYAN M. SHORE, CPA

INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and City Commission
City of Belle Glade, Florida

BELLE GLADE OFFICE
333 S.E. 2nd STREET
POST OFFICE BOX 388
BELLE GLADE, FLORIDA 33430-0388
TELEPHONE (561) 998-5312
FAX (561) 998-6748

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Belle Glade, Florida as of and for the year ended September 30, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Belle Glade, Florida's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Belle Glade, Florida, as of September 30, 2011, and the respective changes in financial position, and cash flows, where applicable, thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 15, 2012, on our consideration of the City of Belle Glade, Florida's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

U.S. generally accepted accounting principles require that the management's discussion and analysis on pages 10 through 19, budgetary comparison information on pages 71 through 73, and the pension and other post employment benefit trend information on pages 74 through 77 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with U.S. generally accepted auditing standards, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Belle Glade, Florida's financial statements as a whole. The introductory section, combining fund financial statements, other supplemental information, and statistical data listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of state financial assistance is presented for purposes of additional analysis as required by the Chapter 10.550, Rules of the Auditor General and is also not a required part of the financial statements. The combining fund financial statements, other supplemental information and the schedule of expenditures of state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Nowlen, Holt & Mimer, P.A.

October 15, 2012
Belle Glade, Florida

City of Belle Glade Management's Discussion and Analysis

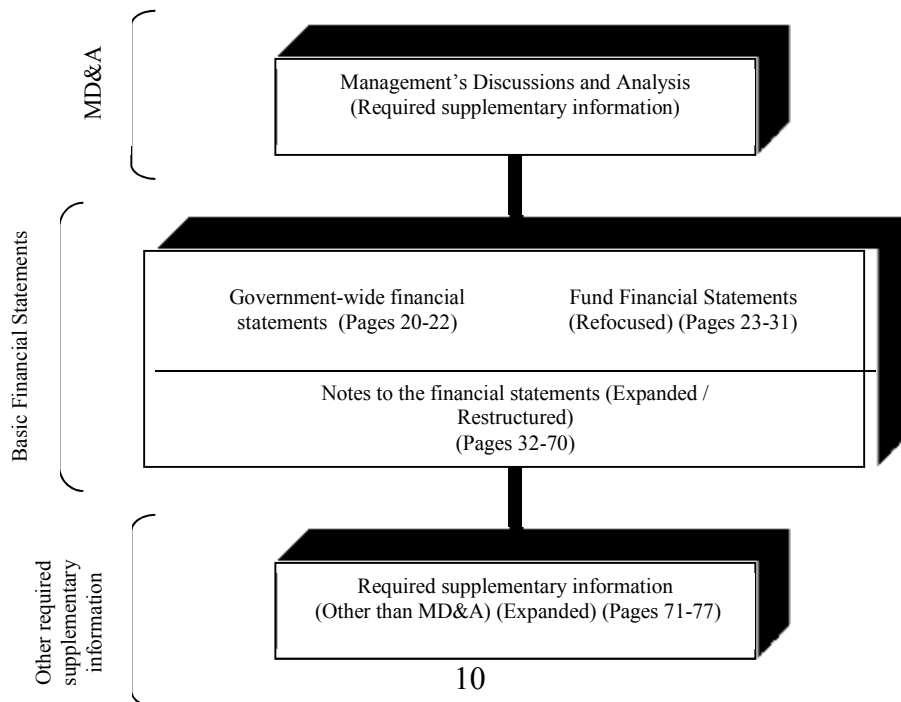
The City of Belle Glade's (the "City") discussion and analysis is designed to:

- A. Assist the reader in focusing on significant financial issues
- B. Provide an overview of the City's financial activity
- C. Identify changes in the City's financial position
- D. Identify any material deviations from the financial plan (the approved budget)
- E. Identify individual fund issues or concerns

FINANCIAL HIGHLIGHTS

- The assets of the City of Belle Glade exceeded its liabilities at the close of the most recent fiscal year by \$35,585,855 (net assets). Of this amount, \$7,724,568 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government activities revenues increased by \$1,105,572. This increase was due to an increase in capital contributions of \$1,642,242. This increase was primarily due to donated road improvements and park improvements.
- The business-type activities revenues decreased by \$467,359 due to a decrease in capital contributions.
- The total cost of all City programs was \$12,047,213 during fiscal year 2011, a decrease of \$111,813 from prior year. This decrease in City programs was due to a reduction of operating costs in the Water & Sewer Fund. The decrease in water and sewer operating costs were due to the phasing out of the City's water and sewer operation.
- At the end of the current fiscal year, the total fund balance for general fund was \$3,336,587. Of this amount, nonspendable was \$251,276, restricted was \$93,169, committed was \$455,070, assigned was \$2,030,239 and unassigned was \$506,833.
- The City's total long-term debt increased by \$209,644 during the current fiscal year. The City's long-term debt increase was due to a settlement of a lawsuit which will be paid in the subsequent fiscal year.

USING THIS REPORT



City of Belle Glade Management's Discussion and Analysis

The financial statement's focus is on both the City as a whole (government-wide) and on the major individual funds. Both perspectives (government-wide and major fund) allow the user to address relevant questions, broaden a basis for comparison (year-to-year or government-to-government) and enhance the City's accountability.

Management's Discussion and Analysis

The Management's Discussion and Analysis (MD&A) is designed to focus on the current years' activities, resulting changes and currently known facts. Thus, please read it in conjunction with the Transmittal Letter at the front of this report and the City's financial statements, which follow this section.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City of Belle Glade's finances, in a manner similar to a private-sector business. The Statement of Net Assets includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the City's net assets and how they have changed. Net assets – the difference between the City's assets and liabilities is one way to measure the City's financial health or financial position. Over time, increases or decreases in the City's net assets is one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the City's property tax base and the condition of the City's roads, to assess the overall health of the City.

In the Statement of Net Assets and the Statement of Activities, we divide the City into two kinds of activities:

- Government activities – Most of the City's basic services are reported here, including public safety, public works, parks and recreation, and general administration. Property taxes, franchise fees, and state shared revenue finance most of these activities.
- Business-type activities – The City charges a fee to customers to help it cover all or most of the cost of certain services it provides.

Fund Financial Statements

Our analysis of the City's major funds begins on page 17. The fund financial statements provide detailed information about the most significant funds – not the City as a whole. Funds are devices that the City uses to keep track of specific sources of funding and spending for particular purposes.

- Governmental funds – Most of the City's basic services are included in governmental funds, which focus on (1) how cash and other financial assets can be readily converted to cash flow and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs.

City of Belle Glade Management's Discussion and Analysis

- Proprietary funds – Services for which the City charges customers a fee are generally reported in proprietary funds. Proprietary fund, like the government-wide statements, provide both long and short-term financial information.
- In fact, the City's enterprise funds (one type of proprietary fund) are the same as its business-type activities, but provide more detail and additional information, such as cash flows.
- Fiduciary Funds – The City is the trustee, or fiduciary, for its employees' pension plans. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. We exclude these activities from the City's government-wide financial statements because the City cannot use these assets to finance its operations.

Note to the Financial Statements

The notes provide additional information that is essential to full understanding of the data provided in the government – wide and fund financial statements.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also present certain required supplementary information about the City financial information in connection with non-major governmental and enterprise funds as well as fiduciary funds.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Net assets

- The City's combined net assets for fiscal year 2011 are reported at \$35,585,855. Net assets of the City's governmental activities for fiscal year 2011 are \$17,145,754. The net assets of our business-type activities are reported at \$18,440,101 for fiscal year 2011. Overall the net assets of the total primary government have increased by \$2,617,394.

City of Belle Glade Management's Discussion and Analysis

*City of Belle Glade
Statement of Net Assets
as of September 30, 2011*

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>
Current and other assets	\$ 5,851,916	\$ 6,182,745	\$ 7,056,838	\$ 7,071,633	\$12,908,754	\$ 13,254,378
Capital assets	11,071,207	12,420,933	12,052,123	12,891,636	23,123,330	25,312,569
TOTAL ASSETS	16,923,123	18,603,678	19,108,961	19,963,269	36,032,084	38,566,947
Current and other liabilities	1,321,291	773,442	1,094,978	1,350,652	2,416,269	2,124,094
Long term liabilities outstanding	439,805	684,482	207,549	172,516	647,354	856,998
TOTAL LIABILITIES	1,761,096	1,457,924	1,302,527	1,523,168	3,063,623	2,981,092
<i>Net assets:</i>						
Invested in capital assets, net of related debt	11,071,207	12,420,933	12,052,123	12,891,636	23,123,330	25,312,569
Restricted	1,931,858	2,376,342	122,231	172,376	2,054,089	2,548,718
Unrestricted	2,158,962	2,348,479	5,632,080	5,376,089	7,791,042	7,724,568
TOTAL NET ASSETS	\$ 15,162,027	\$ 17,145,754	\$17,806,434	\$ 18,440,101	\$32,968,461	\$ 35,585,855

Changes in Net Assets

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some that will only result in cash flows in the future fiscal periods (i.e., uncollected taxes and earned but unused vacation leave).

- The increase in net assets for governmental activities was \$1,983,727. The increase in net assets was primarily due to increase in capital grants and interfund transfers.
- The net asset increase for business-type activities was \$633,667. The net asset increase was primarily due to an increase in stormwater improvements and marina improvements and a decrease in expenses in the Water & Sewer Fund.

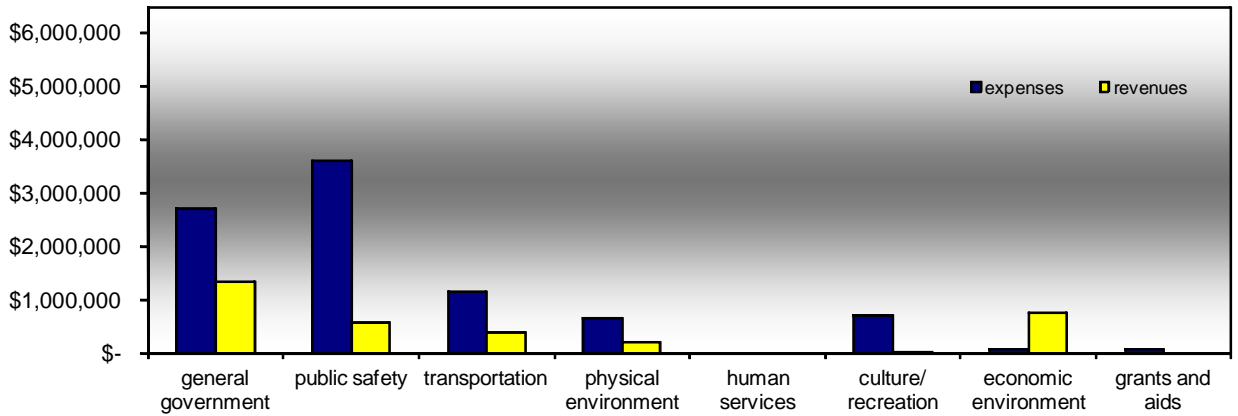
City of Belle Glade Management's Discussion and Analysis

City of Belle Glade's Changes in Net Assets as of September 30, 2011

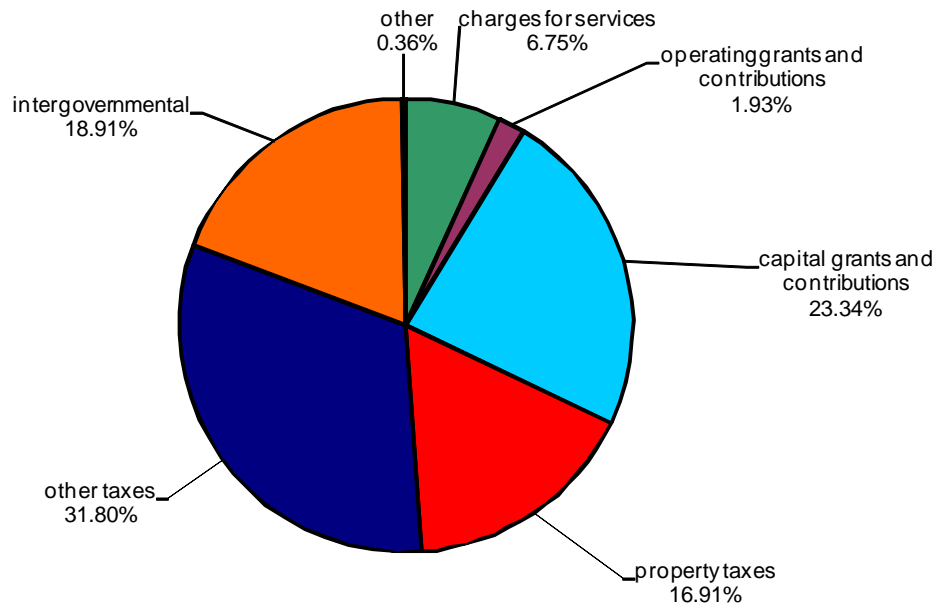
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Primary Government</u>	
	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>
Revenues:						
<i>Program Revenues:</i>						
Charges for services	\$ 694,726	\$ 700,362	\$ 3,003,415	\$ 2,996,331	\$ 3,698,141	\$ 3,696,693
Operating grants and contributions	367,381	199,770	10,019	89,155	377,400	288,925
Capital contributions	779,464	2,421,706	1,659,173	1,167,287	2,438,637	3,588,993
<i>General Revenues:</i>						
Property taxes	2,146,641	1,754,345	-	-	2,146,641	1,754,345
Other taxes	3,281,288	3,298,615	-	-	3,281,288	3,298,615
Intergovernmental	1,888,233	1,961,627	-	-	1,888,233	1,961,627
Other	110,065	36,945	85,989	38,464	196,054	75,409
TOTAL REVENUES	9,267,798	10,373,370	4,758,596	4,291,237	14,026,394	14,664,607
Expenses:						
<i>Primary Government:</i>						
General government	2,722,076	2,718,993	-	-	2,722,076	2,718,993
Public safety	3,658,096	3,618,638	-	-	3,658,096	3,618,638
Transportation	1,255,942	1,165,066	-	-	1,255,942	1,165,066
Physical environment	648,373	662,401	-	-	648,373	662,401
Human services	-	-	-	-	-	-
Culture/recreation	674,850	717,509	-	-	674,850	717,509
Economic environment	105,775	68,940	-	-	105,775	68,940
Grants and Aids	-	85,000	-	-	-	85,000
Interest on long-term debt	410	-	-	-	410	-
<i>Business-type Activities:</i>						
Water and sewer	-	-	443,498	138,609	443,498	138,609
Garbage and solid waste	-	-	1,945,975	2,036,527	1,945,975	2,036,527
Marina	-	-	297,635	387,617	297,635	387,617
Stormwater utility	-	-	406,396	447,913	406,396	447,913
TOTAL EXPENSES	9,065,522	9,036,547	3,093,504	3,010,666	12,159,026	12,047,213
Excess (deficiency) before transfers	202,276	1,336,823	1,665,092	1,280,571	1,867,368	2,617,394
Special items	-	-	(7,731,108)	-	(7,731,108)	-
Transfers	170,708	646,904	(170,708)	(646,904)	-	-
Increase (Decrease) in Net Assets	372,984	1,983,727	(6,236,724)	633,667	(5,863,740)	2,617,394
Net Assets	14,789,043	15,162,027	24,043,158	17,806,434	38,832,201	32,968,461
Net Assets - Ending	\$15,162,027	\$ 17,145,754	\$ 17,806,434	\$ 18,440,101	\$ 32,968,461	\$ 35,585,855

City of Belle Glade Management's Discussion and Analysis

Expense and Program Revenues - Governmental Activities

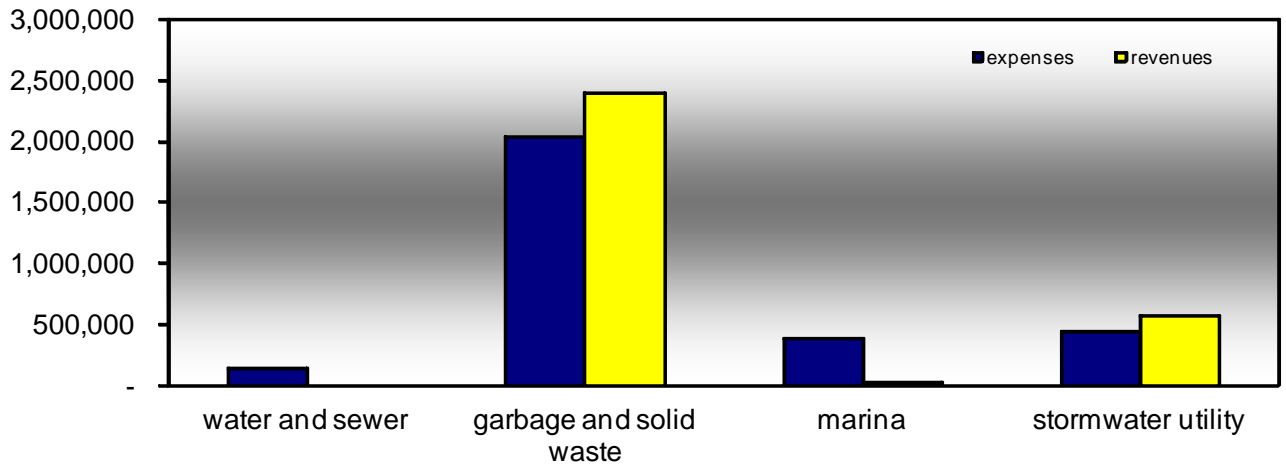


Revenues by Source - Governmental Activities

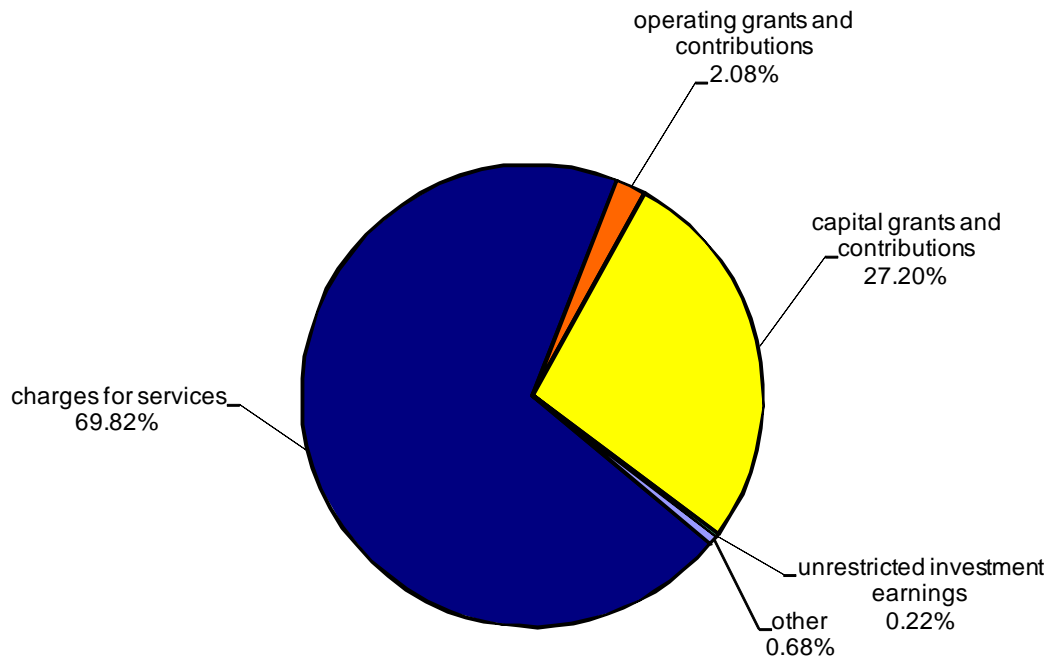


City of Belle Glade Management's Discussion and Analysis

Expenses and Program Revenues - Business-type Activities



Revenues by Source - Business-type Activities



City of Belle Glade Management's Discussion and Analysis

Financial Analysis of the Major Governmental Fund

At the end of the current fiscal year, the City of Belle Glade's governmental funds reflected combined ending fund balances of \$5,202,375 an increase of \$1,014,566 compared to the prior year. Of the total combined fund balances, nonspendable was \$560,859, restricted was \$1,637,711, committed was \$455,070, assigned was \$2,041,902 and unassigned was \$506,833.

The General Fund is the primary operating fund of the City of Belle Glade. At the end of the current fiscal year, the fund balance of the General Fund was \$3,336,587. Of this amount, nonspendable was \$251,276, restricted was \$93,169, committed was \$455,070, assigned was \$2,030,239 and unassigned was \$506,833.

During the current fiscal year, the fund balance of the City of Belle Glade's general fund increased by \$963,940. This was primarily due to an excess of revenues over expenditures from the fiscal year.

The City's Capital Project Fund is another major governmental fund whereby the City of Belle Glade accounts for capital projects. At the end of the current fiscal year, fund balance in the Capital Project Fund was \$37,685. Of this amount, nonspendable was \$26,022 and assigned was \$11,663.

During the current fiscal year, the fund balance of the City of Belle Glade's Capital Project Fund increased by \$61,122. This increase was due to recognition of deferred revenue.

The City's Community Revitalization Initiative Program (CRIP) is another major governmental fund which is utilized to account for funds used to rehabilitate, replace and construct low cost housing. At the end of the current fiscal year, in the CRIP Fund was \$1,690,737. Of this amount, nonspendable was \$283,561, and restricted was \$1,407,176.

Financial Analysis of the Major Proprietary Funds

Unrestricted net assets of the Water and Sewer Fund at the end of fiscal year 2011 had a balance of \$3,250,057, a decrease of \$478,114 over the prior year.

Unrestricted net assets of the Garbage/Solid Waste Fund at the end of the year amounted to \$1,737,900, an increase of \$90,065 from the previous year.

Unrestricted net assets of the Marina Fund decreased from (\$587,168) to (\$718,057).

Unrestricted net assets of the Stormwater Fund increased from 843,242 to 1,106,189.

General Fund Budgetary Highlights

Over the course of the year, the City Commission revised the City budget several times. These budget changes were primarily due to either amended budgets for grants or revised departmental operational needs.

City of Belle Glade Management's Discussion and Analysis

After these amendments, actual expenditures were \$1,272,419 less than the final budget amounts. This underexpenditure was due to grant funds not being spent in public safety and transportation grant programs and underexpenditure by the operating departments. Revenues were \$213,073 less than the final budget amounts, which was caused by undercollected intergovernmental grants. This was primarily due to public safety and transportation grants not being received because the funds were not spent during the fiscal year.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2011, the City had invested \$25,312,569 (net of depreciation) in a broad range of capital assets including buildings, parks and recreation facilities, roads, and bridges. Additional information can be found in Note 6 of the notes to the financial statements.

**City of Belle Glade's Capital Assets
(net of depreciation)
as of September 30, 2011**

	Governmental Activities		Business-Type Activities		TOTAL	
	2010	2011	2010	2011	2010	2011
Land	\$ 2,414,250	\$ 2,332,714	\$ 2,597,250	\$ 2,597,250	\$ 5,011,500	\$ 4,929,964
Buildings and improvements	4,063,855	4,613,954	4,658,092	5,343,785	8,721,947	9,957,739
Equipment	439,173	434,207	783,106	832,685	1,222,279	1,266,892
Infrastructure	3,407,453	3,619,256	3,122,909	3,165,402	6,530,362	6,784,658
Construction in progress	746,476	1,420,802	726,149	787,897	1,472,625	2,208,699
Idle and impaired property	-	-	164,617	164,617	164,617	164,617
TOTALS	\$ 11,071,207	\$ 12,420,933	\$ 12,052,123	\$ 12,891,636	\$ 23,123,330	\$ 25,312,569

The \$1,420,802 in construction in progress in the City of Belle Glade's governmental activities was primarily due to design and engineering services for the boat lock project. The \$787,897 in construction in progress in the City of Belle Glade's business-type activities was primarily due to additional improvements at the marina.

Debt

At September 30, 2011, the City had \$856,998 in compensated absences, other post employment benefits (OPEB), and claims and judgments as shown in the following table.

City of Belle Glade Management's Discussion and Analysis

City of Belle Glade's Outstanding Debt as of September 30, 2011

	Governmental		Business-Type Activities		TOTAL	
	Activities					
	2010	2011	2010	2011	2010	2011
OPEB	\$ 52,270	\$ 67,418	\$ 15,022	\$ 19,019	\$ 67,292	\$ 86,437
Compensated absences	387,535	392,064	192,527	153,497	580,062	545,561
Claims and judgments	-	225,000	-	-	-	225,000
TOTALS	\$ 439,805	\$ 684,482	\$ 207,549	\$ 172,516	\$ 647,354	\$ 856,998

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- The millage rate was 6.5419 mills, which is .33% over the rolled back rate.
- Increase in ad valorem taxes due to increase of 1.05% in gross taxable value.
- The budget was balanced by increased transfers from Water & Sewer Fund.

All of these factors were considered in preparing the City of Belle Glade's budget for the 2012 fiscal year.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Director of Finance, City of Belle Glade, 110 Dr. Martin Luther King, Jr. Blvd., West, Belle Glade, FL 33430.

BASIC FINANCIAL STATEMENTS

CITY OF BELLE GLADE, FLORIDA
Statement of Net Assets
September 30, 2011

	Primary Government		Total
	Governmental Activities	Business-type Activities	
Assets			
Cash and cash equivalents	\$ 3,832,396	\$ 5,400,774	\$ 9,233,170
Investments	357,019		357,019
Receivables (net)			
Accounts	363,570	529,576	893,146
Accrued interest	14,754		14,754
Internal balances	878,150	(878,150)	
Due from other governments	328,852	1,847,057	2,175,909
Supplies inventory	6,793		6,793
Prepaid expenses	244,483		244,483
Prepaid pension costs	156,728		156,728
Restricted assets			
Cash and cash equivalents		172,376	172,376
Capital assets			
Non-depreciable	3,753,516	3,549,764	7,303,280
Depreciable (net of depreciation)	8,667,417	9,341,872	18,009,289
Total assets	<u>18,603,678</u>	<u>19,963,269</u>	<u>38,566,947</u>
Liabilities			
Accounts payable	265,737	495,018	760,755
Deposits	21,524		21,524
Accrued liabilities	70,246		70,246
Due to other governments	136,678		136,678
Deferred revenue	279,257	855,634	1,134,891
Non-current liabilities			
Due within one year	387,844	34,573	422,417
Due in more than one year	296,638	137,943	434,581
Total liabilities	<u>1,457,924</u>	<u>1,523,168</u>	<u>2,981,092</u>
Net Assets			
Invested in capital assets, net of related debt	12,420,933	12,891,636	25,312,569
Restricted for:			
Capital improvements		172,376	172,376
Economic environment	1,828,103		1,828,103
Landscaping	82,319		82,319
Other purposes	10,850		10,850
Stabilization	455,070		455,070
Unrestricted	2,348,479	5,376,089	7,724,568
Total net assets	<u>\$ 17,145,754</u>	<u>\$ 18,440,101</u>	<u>\$ 35,585,855</u>

See notes to the financial statements

CITY OF BELLE GLADE, FLORIDA
Statement of Activities
For the Fiscal Year Ended September 30, 2011

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Charges for Services</u>
Primary Government		
Governmental activities		
General government	\$ 2,718,993	\$ 71,823
Public safety	3,618,638	490,829
Transportation	1,165,066	
Physical environment	662,401	135,281
Culture/recreation	717,509	2,429
Economic environment	68,940	
Grants and aids	85,000	
Total governmental activities	<u>9,036,547</u>	<u>700,362</u>
Business-type activities		
Water and Sewer	138,609	
Garbage and Solid Waste	2,036,527	2,399,556
Marina	387,617	24,370
Stormwater Utility	447,913	572,405
Total business-type activities	<u>3,010,666</u>	<u>2,996,331</u>
Total primary government	<u>\$ 12,047,213</u>	<u>\$ 3,696,693</u>

Program Revenues		Net (Expense) Revenue and Changes in Net Assets		
		Primary Government		
Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
\$ 9,454	\$ 1,273,981	\$ (1,363,735)	\$	\$ (1,363,735)
97,421		(3,030,388)		(3,030,388)
10,200	387,776	(767,090)		(767,090)
		(527,120)		(527,120)
82,695		(632,385)		(632,385)
	759,949	691,009		691,009
		(85,000)		(85,000)
<u>199,770</u>	<u>2,421,706</u>	<u>(5,714,709)</u>		<u>(5,714,709)</u>
			(138,609)	(138,609)
89,155			452,184	452,184
	989,961		626,714	626,714
	177,326		301,818	301,818
<u>89,155</u>	<u>1,167,287</u>		<u>1,242,107</u>	<u>1,242,107</u>
<u>\$ 288,925</u>	<u>\$ 3,588,993</u>	<u>(5,714,709)</u>	<u>1,242,107</u>	<u>(4,472,602)</u>
General revenues				
Ad valorem taxes		1,754,345		1,754,345
Local option gas taxes		417,656		417,656
Franchise taxes		1,335,349		1,335,349
Utility taxes		1,545,610		1,545,610
Unrestricted intergovernmental shared revenues		1,961,627		1,961,627
Unrestricted investment earnings		27,384	9,314	36,698
Miscellaneous revenues		9,561		9,561
Gain on disposal of capital assets			29,150	29,150
Transfers		646,904	(646,904)	
Total general revenues and transfers		<u>7,698,436</u>	<u>(608,440)</u>	<u>7,089,996</u>
Change in net assets		1,983,727	633,667	2,617,394
Net assets, beginning		15,162,027	17,806,434	32,968,461
Net assets, ending		<u>\$ 17,145,754</u>	<u>\$ 18,440,101</u>	<u>\$ 35,585,855</u>

See notes to the financial statements

CITY OF BELLE GLADE, FLORIDA

Balance Sheet

Governmental Funds

September 30, 2011

	General	Capital Projects Fund	Community Revitalizing Initiative Program	Nonmajor Governmental Fund	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 2,057,436	\$ 290,645	\$ 1,346,941	\$ 137,374	\$ 3,832,396
Investments		26,022	330,997		357,019
Receivables (net)					
Accounts	351,821		11,749		363,570
Accrued interest			14,754		14,754
Due from other funds	882,989				882,989
Due from other governments	275,952	52,900			328,852
Supplies inventory	6,793				6,793
Prepaid expenditures	244,483				244,483
Total assets	<u>\$ 3,819,474</u>	<u>\$ 369,567</u>	<u>\$ 1,704,441</u>	<u>\$ 137,374</u>	<u>\$ 6,030,856</u>
Liabilities and fund balances					
Liabilities					
Accounts payable	\$ 178,478	\$ 85,896	\$ 1,355	\$ 8	\$ 265,737
Deposits	9,175		12,349		21,524
Accrued liabilities	70,246				70,246
Due to other funds	4,839				4,839
Due to other governments	136,678				136,678
Deferred revenue	83,471	245,986			329,457
Total liabilities	<u>482,887</u>	<u>331,882</u>	<u>13,704</u>	<u>8</u>	<u>828,481</u>
Fund balances					
Nonspendable					
Inventory and prepaids	251,276				251,276
Non-current investment		26,022			26,022
Long term portion of mortgage notes			283,561		283,561
Restricted					
Police education	6,256				6,256
Landscaping	82,319				82,319
Parking	3,226				3,226
Museum	1,368				1,368
Special revenue fund - CRIP			1,407,176		1,407,176
Special revenue fund - CRA				137,366	137,366
Committed					
Stabalization	455,070				455,070
Assigned					
Emergencies	427,564				427,564
Capital projects	1,602,675	11,663			1,614,338
Unassigned					
Unassigned	506,833				506,833
Total fund balances	<u>3,336,587</u>	<u>37,685</u>	<u>1,690,737</u>	<u>137,366</u>	<u>5,202,375</u>
Total liabilities and fund balances	<u>\$ 3,819,474</u>	<u>\$ 369,567</u>	<u>\$ 1,704,441</u>	<u>\$ 137,374</u>	<u>\$ 6,030,856</u>

See notes to the financial statements

CITY OF BELLE GLADE, FLORIDA
Reconciliation of the Balance Sheet – Governmental Funds
to the Statement of Net Assets
Governmental Funds
September 30, 2011

Fund balances total governmental funds		\$ 5,202,375
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Governmental capital assets	\$ 30,250,472	
Less accumulated depreciation	<u>(17,829,539)</u>	12,420,933
Pension payments in excess of the annual pension costs are reported as an expense in the governmental funds when paid and are not considered an asset.		
Prepaid pension costs		156,728
Revenue is recognized when earned in the government-wide statements, regardless of activity. Governmental funds report based on modified accrual, i.e., both measurable and available.		
Grant revenues		50,200
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Claims and settlements	(225,000)	
Other postemployment benefits	(67,418)	
Compensated absences	<u>(392,064)</u>	<u>(684,482)</u>
Net assets of governmental activities		<u><u>\$ 17,145,754</u></u>

See notes to the financial statements

CITY OF BELLE GLADE, FLORIDA
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended September 30, 2011

	General	Capital Projects Fund	Community Revitalizing Initiative Program	Nonmajor Governmental Fund	Total Governmental Funds
Revenues					
Taxes	\$ 5,052,960	\$	\$	\$	\$ 5,052,960
Licenses and permits	265,905				265,905
Intergovernmental revenues	2,674,182	765,625		3,919	3,443,726
Charges for services	255,159				255,159
Fines and forfeitures	73,024				73,024
Miscellaneous revenues	502,892	9,791	19,363	175	532,221
Total revenues	<u>8,824,122</u>	<u>775,416</u>	<u>19,363</u>	<u>4,094</u>	<u>9,622,995</u>
Expenditures					
Current					
General government	2,636,558				2,636,558
Public safety	3,575,746				3,575,746
Transportation	857,708	21,700			879,408
Physical environment	657,805				657,805
Culture/recreation	517,899	6,392			524,291
Economic environment	1,224		29,874	9,477	40,575
Grants and aids	85,000				85,000
Capital outlay	37,112	818,838			855,950
Total expenditures	<u>8,369,052</u>	<u>846,930</u>	<u>29,874</u>	<u>9,477</u>	<u>9,255,333</u>
Excess of revenues over (under) expenditures	<u>455,070</u>	<u>(71,514)</u>	<u>(10,511)</u>	<u>(5,383)</u>	<u>367,662</u>
Other financing sources (uses)					
Transfers in	646,904	132,636		5,398	784,938
Transfers (out)	(138,034)				(138,034)
Total other financing sources (uses)	<u>508,870</u>	<u>132,636</u>		<u>5,398</u>	<u>646,904</u>
Net change in fund balances	963,940	61,122	(10,511)	15	1,014,566
Fund balances - beginning	2,372,647	(23,437)	1,701,248	137,351	4,187,809
Fund balances - ending	<u>\$ 3,336,587</u>	<u>\$ 37,685</u>	<u>\$ 1,690,737</u>	<u>\$ 137,366</u>	<u>\$ 5,202,375</u>

See notes to the financial statements

CITY OF BELLE GLADE, FLORIDA
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
Governmental Funds
For the Year Ended September 30, 2011

Net change in fund balances - total governmental funds \$ 1,014,566

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful life.

Expenditures for capital assets	\$ 855,950	
Less current year depreciation	<u>(690,463)</u>	165,487

Donations and disposals of capital assets affect net assets in the statement of activities, but do not appear in the governmental funds because they are not financial resources.

Net book value of asset disposals or sales	(89,742)	
Capital assets donated to the city	<u>1,273,981</u>	1,184,239

Governmental funds report revenues when earned and available. However, in the Statement of Activities, revenues are recognized when earned, regardless of availability.

Prior year program revenue-operating grants	(171,864)	
Current year program revenue-operating grants	<u>50,200</u>	(121,664)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore are not reported as expenditures in governmental funds.

Changes in claims and settlements	(225,000)	
Change in net pension assets	(14,224)	
Change in other postemployment benefits	(15,148)	
Change in long-term compensated absences	<u>(4,529)</u>	<u>(258,901)</u>

Change in net assets of governmental activities \$ 1,983,727

See notes to the financial statements

CITY OF BELLE GLADE, FLORIDA
Statement of Net Assets
Proprietary Funds
September 30, 2011

	Business-type Activities-Enterprise Funds				
	Water and Sewer	Garbage and Solid Waste	Marina	Stormwater	Totals
Assets					
Current assets					
Cash and cash equivalents	\$ 2,440,725	\$ 1,675,889	\$ 152,115	\$ 1,132,045	\$ 5,400,774
Receivables (net)					
Accounts		476,089	50,501	2,986	529,576
Due from other funds		4,839			4,839
Due from other governments	813,763		1,033,294		1,847,057
Restricted assets					
Cash and cash equivalents		172,376			172,376
Total current assets	<u>3,254,488</u>	<u>2,329,193</u>	<u>1,235,910</u>	<u>1,135,031</u>	<u>7,954,622</u>
Non-current assets					
Capital assets					
Property, plant, and equipment	164,617	2,143,925	10,865,320	3,965,136	17,138,998
Less accumulated depreciation		(1,409,758)	(2,198,063)	(639,541)	(4,247,362)
Total non-current assets	<u>164,617</u>	<u>734,167</u>	<u>8,667,257</u>	<u>3,325,595</u>	<u>12,891,636</u>
Total assets	<u>3,419,105</u>	<u>3,063,360</u>	<u>9,903,167</u>	<u>4,460,626</u>	<u>20,846,258</u>
Liabilities					
Current liabilities					
Accounts payable	4,431	248,937	241,325	325	495,018
Due to other funds			882,989		882,989
Compensated absences		30,783		3,790	34,573
Deferred revenue		25,981	829,653		855,634
Total current liabilities	<u>4,431</u>	<u>305,701</u>	<u>1,953,967</u>	<u>4,115</u>	<u>2,268,214</u>
Non-current liabilities					
Compensated absences		97,462		21,462	118,924
Other postemployment benefits		15,754		3,265	19,019
Total non-current liabilities		<u>113,216</u>		<u>24,727</u>	<u>137,943</u>
Total liabilities	<u>4,431</u>	<u>418,917</u>	<u>1,953,967</u>	<u>28,842</u>	<u>2,406,157</u>
Net Assets					
Invested in capital assets, net of related debt	164,617	734,167	8,667,257	3,325,595	12,891,636
Restricted for:					
Repairs and replacement		172,376			172,376
Unrestricted	3,250,057	1,737,900	(718,057)	1,106,189	5,376,089
Total net assets	<u>\$ 3,414,674</u>	<u>\$ 2,644,443</u>	<u>\$ 7,949,200</u>	<u>\$ 4,431,784</u>	<u>\$ 18,440,101</u>

See notes to the financial statements

CITY OF BELLE GLADE, FLORIDA
Statement of Revenues, Expenses, and Changes
in Fund Net Assets
Proprietary Funds
For the Fiscal Year Ended September 30, 2011

	Business-type Activities				Total
	Enterprise Funds				
	Water and Sewer	Garbage and Solid Waste	Marina	Stormwater	
Operating revenue					
Charges for services	\$	\$ 2,399,556	\$ 24,370	\$ 572,405	\$ 2,996,331
Operating expenses					
Personal services	10,727	876,317	375	180,365	1,067,784
Professional services	5,000	1,130		55	6,185
Insurance	116,543	87,977	6,172	13,379	224,071
Chemicals		1,061			1,061
Disposal fees		328,933			328,933
Heat, light and power	890	8,887	12,629		22,406
Depreciation		127,735	330,170	161,935	619,840
Repairs and maintenance	636	175,424	1,035	27,655	204,750
Administrative		269,346		46,800	316,146
Other	4,813	159,717	37,236	17,724	219,490
Total operating expenses	138,609	2,036,527	387,617	447,913	3,010,666
Operating income (loss)	(138,609)	363,029	(363,247)	124,492	(14,335)
Nonoperating revenues (expenses)					
Disposal of equipment	29,150				29,150
Intergovernmental		89,155			89,155
Interest revenue	5,374	2,266	154	1,520	9,314
Total nonoperating revenues (expenses)	34,524	91,421	154	1,520	127,619
Income (loss) before contributions	(104,085)	454,450	(363,093)	126,012	113,284
Capital contributions			989,961	177,326	1,167,287
Transfers					
Transfers (out)	(374,029)	(272,875)			(646,904)
Total transfers	(374,029)	(272,875)			(646,904)
Change in net assets	(478,114)	181,575	626,868	303,338	633,667
Net assets - beginning	3,892,788	2,462,868	7,322,332	4,128,446	17,806,434
Net assets - ending	\$ 3,414,674	\$ 2,644,443	\$ 7,949,200	\$ 4,431,784	\$ 18,440,101

See Notes to the Financial Statements

CITY OF BELLE GLADE, FLORIDA
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended September 30, 2011

	Business-type Activities			Enterprise Funds	
	Water and Sewer	Garbage and Solid Waste	Marina	Stormwater	Totals
Cash flows from operating activities:					
Receipts from customers and users	\$ 7,125	\$2,526,803	\$ (9,200)	\$ 572,267	\$ 3,096,995
Payments to suppliers	(107,116)	(511,029)	(19,181)	(60,923)	(698,249)
Payments to employees	(10,727)	(899,021)	(375)	(192,694)	(1,102,817)
Internal activity - payments to other funds		(269,346)		(46,800)	(316,146)
Net cash provided (used) by operating activities	(110,718)	847,407	(28,756)	271,850	979,783
Cash flows from non-capital financing activities:					
Payment from other funds			588,413		588,413
Transfers (out) in	(374,029)	(272,875)			(646,904)
Net cash (used) by non-capital financing activities	(374,029)	(272,875)	588,413		(58,491)
Cash flows from capital and related financing activities:					
Contributed capital			506,915	177,326	684,241
Acquisition and construction of fixed assets		(169,100)	(1,033,917)	(202,326)	(1,405,343)
Proceeds from the sale of fixed assets	29,150				29,150
Net cash (used) by capital and related financing activities	29,150	(169,100)	(527,002)	(25,000)	(691,952)
Cash flows from investing activities:					
Interest and dividends on investments	5,374	2,266	154	1,520	9,314
Net cash provided by investing activities	5,374	2,266	154	1,520	9,314
Net increase (decrease) in cash and cash equivalents	(450,223)	407,698	32,809	248,370	238,654
Cash and cash equivalents at beginning of year	2,890,948	1,440,567	119,306	883,675	5,334,496
Cash and cash equivalents at end of year	\$ 2,440,725	\$1,848,265	\$ 152,115	\$ 1,132,045	\$ 5,573,150
Cash flows from operating activities:					
Operating income (loss)	\$ (138,609)	\$ 363,029	\$ (363,247)	\$ 124,492	\$ (14,335)
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation		127,735	330,170	161,935	619,840
Operating grants		89,155			89,155
Change in assets and liabilities:					
(Increase) decrease in accounts receivable	7,125	38,092	(33,570)	(138)	11,509
(Increase) in due from other funds		(4,839)			(4,839)
(Increase) decrease in due from other governments			36,249		36,249
(Increase) decrease in prepaid expenses	31,013	36,590	1,642	6,328	75,573
Increase (decrease) in accounts payable	(10,247)	220,349		(8,438)	201,664
Increase (decrease) in accrued liabilities		(22,704)		(12,329)	(35,033)
Total adjustments	27,891	484,378	334,491	147,358	994,118
Net cash provided (used) by operating activities	\$ (110,718)	\$ 847,407	\$ (28,756)	\$ 271,850	\$ 979,783
Noncash Investing, Capital and Financing Activities					
Construction contracts payable	\$	\$	\$ 243,940	\$	\$ 243,940

See notes to financial statements

CITY OF BELLE GLADE, FLORIDA
Statement of Fiduciary Net Assets
Fiduciary Funds
September 30, 2011

	<u>Employee Retirement Funds</u>
Assets	
Cash and cash equivalents	\$ 326,213
Investments	
U.S. government securities	3,665,364
Corporate bonds	1,366,716
Corporate stock	8,978,724
Asset backed securities	950,204
Mutual funds	687,007
Receivables	
Accounts	27,780
Due from participants	81,753
From Public Safety trust fund	61,636
Accrued dividends and interest	<u>40,595</u>
Total assets	<u><u>16,185,992</u></u>
Liabilities	
Prepaid pension contribution	25,229
To General Employee' trust fund	<u>61,636</u>
Total liabilities	<u><u>86,865</u></u>
Net Assets	
Held in trust for pension benefits and other purposes	<u><u>\$ 16,099,127</u></u>

See notes to the financial statements

CITY OF BELLE GLADE, FLORIDA
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Fiscal Year Ended September 30, 2011

	<u>Employee Retirement Funds</u>
Additions	
Contributions	
Employer	\$ 144,341
Plan members	112,766
Total contributions	<u>257,107</u>
Investment income	
Net increase in fair value of investments	(169,236)
Investment earnings	476,215
Miscellaneous income	8,813
Total investment income	<u>315,792</u>
Investment expenses	<u>(103,088)</u>
Total net investment income	<u>212,704</u>
Total additions	<u>469,811</u>
Deductions	
Retirement benefits	609,119
Refunds of contributions	72,971
Administrative expense	72,526
Total deductions	<u>754,616</u>
Net decrease	(284,805)
Net assets held in trust for pension benefits	
Net assets - beginning	<u>16,383,932</u>
Net assets - ending	<u>\$ 16,099,127</u>

See notes to the financial statements

CITY OF BELLE GLADE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Belle Glade, Florida (City) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

A. Reporting Entity

The City of Belle Glade, Florida is a municipal corporation organized under Chapter 61 - 1880 Laws of Florida, a special act 1980 as amended. The City provides the full range of municipal services contemplated by statute or charter. The services provided include: public safety (police), streets and roads, culture and recreation, public improvements, planning and zoning, marina, trash removal, and general administrative services.

In accordance with Statement 14 of the Government Accounting Standards Board, the underlying concept of the governmental financial reporting entity is that governmental organizations are responsible to elected governing officials; therefore, financial reporting should report the elected officials' accountability for those organizations. Furthermore, the financial statements of the reporting entity should allow users to distinguish between the primary government and its component units, if any, by communicating information about the component units and their relationships with the primary government. A component unit is a legally separate organization for which the elected officials of the primary government are financially accountable. Determining factors of financial accountability includes appointment of a voting majority, imposition of will, financial benefit or burden on a primary government, or fiscal dependency. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Based upon the application of these criteria, the following is a brief review of each potential component unit included in the City's reporting entity.

Community Redevelopment Agency (CRA)

On September 15, 2003, the City Commission established the Community Redevelopment Agency Trust Fund for the purpose of utilizing and expending future tax increment revenue and other qualified funds in connection with the implementation of the CRA plan previously approved. The City Commission serves as the CRA Board. Although legally separate, the CRA is appropriately blended as governmental fund component unit into the primary government.

CITY OF BELLE GLADE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Government-wide and Fund Financial Statements

The basic financial statements include both government-wide and fund financial statements. The previous financial reporting model emphasized fund types. The new reporting model, however, focuses on either the City as a whole, or major individual funds (within the fund financial statements).

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses recorded when a liability is incurred, regardless of the timing of related cash flows. The City does not accrue property tax revenues since the collection of these taxes coincides with the fiscal year in which levied, and since the City consistently has no material uncollected property taxes at year end. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**CITY OF BELLE GLADE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property tax revenues are considered to be available if they are collected within 60 days of the end of the current fiscal period. A three month availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures relating to compensated absences and claims and judgments, are recorded only when payment is due.

Fines and permit revenues are not susceptible to accrual because generally they are not measurable until received in cash. Property taxes, franchise taxes, licenses, interest revenue, intergovernmental revenues, and charges for services associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Capital projects funds account for the acquisition of fixed assets or construction of major capital projects not being financed by proprietary funds. The City has one capital project fund, the General Capital Fund.

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or for major capital projects) that are legally restricted to expenditures for specified purposes. The City has one major special revenue fund, the Community Revitalizing Initiative Fund, (CRIP), which is funded from a one time grant from the State of Florida for the rehabilitation, replacement and construction of low cost housing in the City.

CITY OF BELLE GLADE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

The City reports the following major proprietary funds:

The Water and Sewer Fund previously accounted for the provision of water and sewer services to the residents of the City and of some of the unincorporated areas near the City. As discussed in Note 15, these services are now being performed by the Glades Utility Authority (GUA).

The Garbage and Solid Waste Fund accounts for refuse and recycling services to the residents of the City.

The Marina Fund accounts for the operation of the City's campgrounds.

The Stormwater Utility Fund accounts for the stormwater drainage system.

Additionally, the City reports the following non-major fund types:

The City has one non-major special revenue fund; the Community Redevelopment Agency Trust Fund, which is used to account for the activity of redevelopment projects within the City.

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government. The pension trust funds are held under the terms of a formal trust agreement. As of September 30, 2011, the City had two pension trust funds: the General Employees and the Public Safety Officers Trust Funds.

Government Accounting Standards Board (GASB) Statement #20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Funds*, provides enterprise funds with a choice of authoritative guidance issued after November 30, 1989. The City of Belle Glade, Florida has elected to follow GASB pronouncements exclusively after that date.

CITY OF BELLE GLADE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the City's refuse and recycling function and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses report on the costs to maintain the proprietary systems, the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, Liabilities, and Net Assets or Equity

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with maturities of three months or less when purchased.

Investments

U.S. Government Securities

U.S. government securities are stated at fair value.

Corporate Bonds and Stock

Corporate bonds and stock are reported at fair value.

Mortgage Notes

Mortgage notes are held for long-term investment and are valued at fair value (computed on an aggregate loan basis).

CITY OF BELLE GLADE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, and Net Assets or Equity (Continued)

Accounts Receivable

Accounts receivable of the General Fund, Water and Sewer Fund, and Garbage and Solid Waste Fund consists of billed and unbilled receivables.

Inventory

Inventory is valued at cost, which approximates market, using the first in/first out (FIFO) method. The costs of governmental fund type inventory are recorded as expenditures when consumed rather than when purchased.

Interfund Transactions

Following is a description of the basic types of interfund transactions made during the year and the related accounting policy:

Transactions for services rendered or facilities provided: These transactions are recorded as revenue in the receiving fund and expenditures in the disbursing fund.

Transactions to transfer revenue or contributions from the fund budgeted to receive them to the fund budgeted to expend them: These transactions are recorded as operating transfers in and out.

Capital Assets

Capital assets, which include plant, property, equipment, and infrastructure assets (e.g. roads, bridges, and sidewalks) are reported in the applicable governmental or business-type activities columns in the governmental-wide financial statements. Capital assets are defined by the government as assets with an original cost of greater than or equal to \$5,000 including ancillary cost and with an original cost greater than \$750 but less than \$5,000 including ancillary cost and with a useful life of one year or more that have been identified by the City as sensitive in nature. Such assets are recorded at cost or the fair market value of the assets at the time of purchase or contribution. Depreciation has been provided over the useful lives using the straight line method. The estimated useful lives are as follows:

Buildings	35 years
Marina improvements	10-40 years
Equipment	3-15 years

CITY OF BELLE GLADE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, and Net Assets or Equity (Continued)

Interest Capitalization

The Financial Accounting Standards Board issued Statements of Financial Accounting Standards (FASB) No. 34 requiring capitalization of interest cost for all assets that are constructed for an enterprise's use. The amount of interest to be capitalized is that portion of the interest incurred during the asset's acquisition period, which theoretically could have been avoided if expenditures for the asset had not been made.

Compensated Absences

Compensated absences are absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that is attributable to services already rendered and that is not contingent on a specific event that is outside the control of the government and its employees is accrued as employees earn the rights to the benefits. Compensated absences that relate to future services or that are contingent on a specific event that is outside the control of the government and its employees are accounted for in the period in which such services are rendered or such events take place.

All vacation, sick leave, and sabbatical leave is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Deferred Revenue

The government reports deferred revenue on its government wide statement of net assets, proprietary statement of net assets, and governmental funds balance sheet. Deferred revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when the government receives resources before it has a legal claim to them, as when grant monies are received prior to incurring qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, the liability for deferred revenue is removed and revenue is recognized.

CITY OF BELLE GLADE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, and Net Assets or Equity (Continued)

Fund Balance

In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balance is reported under the following categories:

1. Nonspendable fund balances – Includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts. It also includes the long-term amount of loans and notes receivable, as well as property acquired for resale. However, if the use of the proceeds from the collection of those receivables or from the sale of those properties is restricted, committed, or assigned, then they should be included in the appropriate fund balance classification (restricted, committed, or assigned), rather than the nonspendable fund balance. The corpus (or principal) of a permanent fund is an example of an amount that is legally or contractually required to be maintained intact.
2. Restricted fund balance – Includes amounts that are restricted to specific purposes when constraints placed on the use of resources are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
3. Committed fund balance – Includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the City Commission, the City’s highest level of decision making authority, ordinance. Those committed amounts cannot be used for any other purpose unless the City removes or changes the specified use by taking the same type of action employed to previously commit those amounts.
4. Assigned fund balance – Includes amounts intended to be used by the City for specific purposes, but are neither restricted or committed. Intent shall be expressed by the City Commission or may be delegated to the City Manager.

**CITY OF BELLE GLADE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, and Net Assets or Equity (Continued)

Fund Balance (Continued)

5. Unassigned fund balance – Includes the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund. The general fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds, it may be necessary to report a negative unassigned fund balance if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes.

The City Commission has established committed fund balance by ordinance to maintain a stabilization reserve of 20% of the General Fund operating budget less transfer and contingency. The operating reserve is in addition to any contingency in the General Fund budget. Any excess of revenues over expenditures shall be placed in the stabilization reserve until 20% of the General Fund operating budget less transfers and contingency is reached then additional amounts shall flow to Unassigned Fund Balance. The stabilization reserve is set up for unforeseen economic conditions and potential natural disasters (hurricanes) that could affect the area.

When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, it is the City's policy to reduce restricted amounts first. When an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, it is the City's policy to reduce committed amounts first, followed by assigned amounts, and then unassigned amounts.

**CITY OF BELLE GLADE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities, and Net Assets or Equity (Continued)

Net Assets

Equity in the government-wide and enterprise fund statements are classified as net assets and displayed in following three components:

1. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
2. Restricted net assets – Consists of net assets with constraints placed on the use either by:
1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or 2) law through constitutional provisions of enabling legislation.
3. Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Data

Formal budgetary integration is employed as a management control device during the year for the General Fund, the Special Revenue Funds and the Enterprise Funds. All budgets are legally enacted.

Annual appropriated budgets for the General Fund and Special Revenue Funds (except for the on-behalf pension fund) are adopted on a basis consistent with generally accepted accounting principles. Except for not budgeting for depreciation, the annual appropriated budgets for the enterprise funds are adopted on a basis consistent with generally accepted accounting principles. For budgeting purposes, current year encumbrances are not treated as expenditures.

**CITY OF BELLE GLADE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011**

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Continued)

A. Budgetary Data (Continued)

The City follows these procedures in establishing the budgetary data reflected in the financial statements.

1. Prior to August 1st, the City Manager submits to the City Commission a proposed operating budget for the fiscal year commencing the following October 1st. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to October 1st, the budget is legally enacted through passage of a resolution.
4. The City Manager is authorized to transfer budgeted amounts within object classifications (personnel services, operating expenses, capital outlay and debt service) within any department; however, any revisions that alter the total expenditures of any object classification within any department must be approved by the City Commission, by a legally enacted resolution.
5. Appropriations along with encumbrances lapse on September 30th.

Budgeted amounts are as originally adopted, or as amended by appropriate action. During the year several supplementary appropriations were necessary.

In the General Fund, the following functional area expended funds in excess of the appropriated budget: Other General Government operating expenses \$37,567.

B. Property Taxes

Under Florida law, the assessment of all properties and the collection of all county, municipal and school board property taxes are consolidated in the offices of the County Property Appraiser and County Tax Collector. The laws of the State regulating tax assessment are also designed to assure a consistent property valuation method statewide.

The tax levy of the City is established by the City Commission prior to October 1st of each year and the Palm Beach County Property Appraiser incorporates the City's millages into the total tax levy, which includes Palm Beach County and Palm Beach County School Board tax requirements.

CITY OF BELLE GLADE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Continued)

B. Property Taxes (Continued)

All property is reassessed according to its fair market value on January 1st of each year, which is also the lien date. Each assessment roll is submitted to the Executive Director of the State Department of Revenue for review to determine if the rolls meet all the appropriate requirements of State statutes.

All taxes are due and payable on November 1st of each year or as soon thereafter as the assessment roll is certified and delivered to the Tax Collector. All unpaid taxes become delinquent on April 1st following the year in which they are assessed. Discounts are allowed for early payment at the rate of 4% in the month of November, 3% in the month of December, 2% in the month of January and 1% in the month of February. The taxes paid in March are without discount.

Delinquent taxes on real property bear interest of 18% per year. On or prior to June 1st following the tax year, certificates are sold for all delinquent taxes on real property. After sale, tax certificates bear interest of 18% per year or any lower rate bid by the buyer. Application for a tax deed on any unredeemed tax certificates may be made by the certificate holder after a period of two years.

Delinquent taxes on personal property bear interest of 18% per year until the tax is satisfied either by seizure and sale of the property or by the five year statute of limitations.

NOTE 3 – DEPOSITS AND INVESTMENTS

Deposits with Financial Institutions

In addition to insurance provided by the Federal Depository Insurance Corporation, deposits are held in banking institutions approved by the State Treasurer of the State of Florida to hold public funds. Under Florida Statutes Chapter 280, *Florida Security for Public Deposits Act*, the State Treasurer requires all Florida qualified public depositories to deposit with the Treasurer or other banking institution eligible collateral. In the event of failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses. The City's deposits at year end are considered insured for custodial credit risk purposes.

At year end, the carrying amounts of the City's deposits were \$9,173,771 and the bank balances were \$9,286,399. The City also had \$2,112 in petty cash.

**CITY OF BELLE GLADE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011**

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

Investments

Florida Statutes authorize the City to invest in the Local Government Surplus Funds Trust Fund administered by the State Treasurer, negotiable direct obligations unconditionally guaranteed by the U.S. Government, interest bearing time deposits in financial institutions located in Florida and organized under Federal or Florida laws, obligations of the Federal Farm Credit Banks, the Federal Home Loan Mortgage Corporation, the Federal Home Loan Bank or its direct banks, obligations guaranteed by the Government National Mortgage Association and obligations of the Federal National Mortgage Association. In addition, funds held by outside custodians on behalf of Enterprise Funds and investments of the Employees' Retirement and Deferred Compensation Funds are invested by the outside custodians pursuant to the applicable trust or escrow agreement.

Investments of the Pension Fund's are limited to:

1. Time, savings, and money market deposit accounts of a national bank, a state bank or a savings and loan institution, insured by the Federal Deposit Insurance Corporation, provided the amount deposited does not exceed the insured amount.
2. Obligations issued by the United States Government or obligations guaranteed as to principal and interest by the United States Government or by an agency of the United States Government.
3. Stocks, commingled funds administered by national or state banks, mutual funds and bonds or other evidences of indebtedness, issued or guaranteed by a corporation organized under the laws of the United States, any state or organized territory of the United States or the District of Columbia, provided:
 - a. The securities meet the following ranking criteria:
 - i. Fixed Income: Standards & Poor's AAA, AA, A or Moody's Aaa, Aa, or A
 - ii. Equities: Value line ranking for safety 1, 2, or 3, except that 15% of the fund assets may be invested in securities not meeting this requirement
 - iii. Money Market Standard & Poor's A1 or Moody's P1

CITY OF BELLE GLADE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

4. Commingled stock, bond or money market funds whose investments are restricted to securities meeting the above criteria
5. Foreign Securities

Limitations:

1. Investments in corporate common stock and convertible bonds shall not exceed 75% of the fund assets at market value.
2. Foreign securities shall not exceed 15% of the value at cost of the fund.

The State Board of Administration is part of the Local Governments Surplus Funds Trust Fund and is governed by Chapter 19-7 of the Florida Administrative Code. These rules provide guidance and establish the general operating procedures for the administration of the Local Governments Surplus Funds Trust Fund. Additionally, the Office of the Auditor General performs the operational audit of the activities and investments of the State Board of Administration. The Local Government Surplus Funds Trust Fund is not a registrant with the Securities and Exchange Commission (SEC); however, the board has adopted operating procedures consistent with the requirements for a 2a-7 fund.

On December 4, 2007, based on recommendations from an outside financial advisor, the State Board of Administration restructured the Pool into two separate pools. Pool A, (Local Government Surplus Funds Trust Fund Investment Pool) consisted of all money market appropriate assets, which was approximately \$12 billion or 86% of Pool assets. Pool B, (Surplus Funds Trust Fund) consisted of assets that either defaulted on a payment, paid more slowly than expected, and/or had any significant credit and liquidity risk, which was approximately \$2 billion or 14% of Pool assets. At the time of the restructuring, all current pool participants had their existing balances proportionately allocated into Pool A and Pool B. On August 3, 2009 the SBA announced “Florida PRIME” as the highly enhanced version of the SBA’s prior Local Government Investment Pool. From December 2007 through the end of fiscal year 2008-09, the SBA has transferred a total of \$1.46 billion in liquid assets from Fund B to participants in Florida PRIME. This amount represents nearly 73% of their original adjusted Fund B balances.

**CITY OF BELLE GLADE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011**

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

At September 30, 2011, Florida PRIME was assigned a "AAA(m)" principal stability fund rating by the Standard and Poor's Ratings. Florida PRIME is considered a SEC 2a7-like fund, thus, the account balance should also be considered its fair value. Fund B is not rated by any nationally recognized rating agency.

The weighted average days to maturity (WAM) of Florida PRIME at September 30, 2011 was 38 days. A portfolio's WAM reflects the average maturity in days based on final maturity or reset date, in the case of floating rate instruments. WAM measures the sensitivity of Florida PRIME to interest rate changes.

The weighted average life (WAL) of Fund B at September 30, 2011 was 4.82 years. However, because Fund B consists of restructured or defaulted securities there is considerable uncertainty regarding the weighted average life.

As of September 30, 2011, the City of Belle Glade had \$229,663 and \$26,022 invested in Florida PRIME and Fund B, respectively for a total investment value of \$255,685. Additional information regarding the Local Government Surplus Funds Trust Fund may be obtained from the State Board of Administration.

The following is a summary of deposits and investments as shown on the statement of net assets and statement of fiduciary net assets for the City.

	<u>Cash and Cash Equivalents</u>		<u>Investments</u>
	<u>Unrestricted</u>	<u>Restricted</u>	
Governmental activities	\$3,832,396	\$	\$ 357,019
Business type activities	<u>5,400,774</u>	<u>172,376</u>	<u> </u>
Statement of net assets	9,233,170	172,376	357,019
Fiduciary	<u>326,213</u>	<u> </u>	<u>15,648,015</u>
Total deposits and investments	<u>\$9,559,383</u>	<u>\$ 172,376</u>	<u>\$ 16,005,034</u>

**CITY OF BELLE GLADE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011**

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

The following is a summary of the City’s cash and cash equivalents and investments at September 30, 2011:

	Fair Value		
	Unrestricted	Restricted	Pension
Cash and cash equivalents:			
Petty cash	\$ 2,112	\$	\$
Deposits with financial Institutions	9,001,395	172,376	
Total cash and cash Equivalents	9,003,507	172,376	
Investments:			
Mortgage notes	330,997		
Money market mutual funds			326,213
State Board of Administration Investment Pool			
PRIME	229,663		
Fund B	26,022		
U.S. government securities			3,665,364
Corporate bonds			1,366,716
Corporate stock			8,978,724
Asset backed securities			950,204
Mutual funds			687,007
Total investments	586,682		15,974,228
Total deposits and investments	\$ 9,590,189	\$ 172,376	\$ 15,974,228

**CITY OF BELLE GLADE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011**

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

Credit Risk

Credit risk is the risk that an issuer or other counter party to an investment will not fulfill its obligations. Florida statutes limit the City’s investments to high quality investments to control credit risk. The mortgage notes are held by the Community Revitalizing Initiative Special Revenue Fund and are unrated as are the money market mutual fund investments of the Employees’ Retirement Fund. The U.S. government securities investments of the Employees’ Retirement are not considered to have credit risk. The Standard & Poor’s rating for the City’s other investments in debt securities at September 30, 2011, are summarized as follows:

	<u>S & P Rating</u>	<u>Amount</u>
Corporate Bonds	A-	\$ 494,658
Corporate Bonds	A	207,252
Corporate Bonds	A+	73,608
Corporate Bonds	AA	23,572
Corporate Bonds	AA+	193,396
Corporate Bonds	BBB-	57,419
Corporate Bonds	BBB	228,240
Corporate Bonds	BBB+	46,271
Corporate Bonds	Not Rated	<u>42,300</u>
Total		<u>\$ 1,366,716</u>
Asset Backed Securities	AAA	\$ 604,171
Asset Backed Securities	Not Rated	<u>346,033</u>
Total		<u>\$ 950,204</u>

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Generally, the longer the time to maturity, the greater the exposure to interest rate risks. The City does not have a formal investment policy that limits investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates. The City’s investment in mortgage notes consist of 99% residential home mortgage loans and the asset backed securities consist of mortgage pass-through securities based on pools of residential home mortgage loans. Both are subject to prepayments and therefore highly sensitive to changes in interest rates. The remaining 1% investment in mortgage notes are non-interest bearing.

**CITY OF BELLE GLADE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011**

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

Interest Rate Risk (Continued)

The table below summarizes the scheduled maturities of debt investments at September 30, 2011:

	Fair Value of Investment Maturities				
	Fair Value	Less Than One year	One to Five Years	Six To Ten Years	More Than Ten Years
Mortgage notes	\$ 330,997	\$ 47,436	\$ 134,085	\$ 88,311	\$ 61,165
Pension funds investments:					
U.S. government securities	3,665,364	2,860,060	805,304		
Corporate bonds	1,366,716	966,144	400,572		
Asset backed securities	950,204	844,029	101,044	5,131	
Total	\$ 6,313,281	\$ 4,717,669	\$ 1,441,005	\$ 93,442	\$ 61,165

Custodial Credit Risk

For an investment, custodial credit is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments that are in the possession of an outside party. At September 30, 2011, all investments were insured or collateralized, except the City's two pension funds, in which the underlying securities are held by counterparty, or by its trust department or agent but not in the City's name and is uninsured and unregistered. The City does not have a formal investment policy for managing custodial credit risk.

Concentration of Credit Risk

Concentration of credit risk is defined as the risk of loss attributed to the magnitude of an investment in a single user. The City places no limit on the amount they may invest in any one issuer, except those in the City's two pension funds. Not more than 5% of the fund's assets shall be invested in the common stock or capital stock of any one issuing company, nor shall the aggregate investment in any one issuing company exceed 5% of the outstanding capital stock of the company. Also, the value of bonds issued by any single corporation shall not exceed 10% of the total fund.

**CITY OF BELLE GLADE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011**

NOTE 3 – DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

Concentration of Credit Risk (Continued)

The U.S. government securities, bonds, stocks, asset backed securities and mutual funds are owned by the Pension Trust Funds.

NOTE 4 – ACCOUNTS RECEIVABLE

Accounts receivable at September 30, 2011, are comprised of the following:

	<u>General Fund</u>	<u>Garbage and Solid Waste Fund</u>
Billed	\$ 378,559	\$ 482,386
Unbilled	<u>22,114</u>	<u>113,917</u>
Total	400,673	596,303
Less allowance for uncollectibles	<u>(48,852)</u>	<u>(120,214)</u>
	<u>\$ 351,821</u>	<u>\$ 476,089</u>

NOTE 5 – WATER AND SEWER DUE FROM OTHER GOVERNMENTS

This amount relates to the accounts receivable that existed in the Water and Sewer Fund before the transfer to the GUA. As part of the transition agreement the GUA agreed to maintain a listing of these amounts in the billing system and to collect and remit the amounts to the City if the customer later tries to open an account. The \$813,763 has been written down to what the City considers to be collectable. Approximately \$405,000 is due from one customer and the City is considering filing suit to enforce collection.

**CITY OF BELLE GLADE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011**

NOTE 6 - CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2011, was as follows:

Primary Government

Governmental Activities:	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land	\$ 2,414,250	\$ 5,460	\$ (86,996)	\$ 2,332,714
Construction in progress	746,476	818,837	(144,511)	1,420,802
Capital assets being depreciated:				
Land improvements	3,885,942	745,317	(33,988)	4,597,271
Buildings	3,482,153	41,970		3,524,123
Building improvements	1,033,432	58,479	(5,304)	1,086,607
Machinery and equipment	2,122,596	130,728	(22,786)	2,230,538
Vehicles	818,217		(7,237)	810,980
Infrastructure	<u>13,773,786</u>	<u>473,651</u>		<u>14,247,437</u>
Total at historical cost:	<u>28,276,852</u>	<u>2,274,442</u>	<u>(300,822)</u>	<u>30,250,472</u>
Less accumulated depreciation for:				
Land improvements	(2,163,085)	(156,684)	33,988	(2,285,781)
Buildings	(1,772,836)	(81,084)		(1,853,920)
Building improvements	(401,751)	(55,404)	2,809	(454,346)
Machinery and equipment	(1,790,436)	(104,172)	22,535	(1,872,073)
Vehicles	(711,204)	(31,271)	7,237	(735,238)
Infrastructure	<u>(10,366,333)</u>	<u>(261,848)</u>		<u>(10,628,181)</u>
Total accumulated depreciation	<u>(17,205,645)</u>	<u>(690,463)</u>	<u>66,569</u>	<u>(17,829,539)</u>
Governmental activities capital assets, net	<u>\$ 11,071,207</u>	<u>\$ 1,583,979</u>	<u>\$ (234,253)</u>	<u>\$ 12,420,933</u>

CITY OF BELLE GLADE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

NOTE 6 - CAPITAL ASSETS (Continued)

	Beginning		Deletions	Ending
	Balance	Additions		Balance
Business-type activities:				
Capital assets not being depreciated:				
Land	\$2,597,250	\$	\$	\$2,597,250
Idle and impaired property	164,617			164,617
Construction in progress	726,149	1,087,927	(1,026,179)	787,897
Capital assets being depreciated:				
Land improvements	4,979,344	1,016,421		5,995,765
Water plant				
Sewer plant				
Buildings	1,541,409			1,541,409
Machinery and equipment	333,818		(8,532)	325,286
Vehicles	1,849,039	194,100		2,043,139
Infrastructure	3,496,551	187,084		3,683,635
Total at historical cost:	15,688,177	2,485,532	(1,034,711)	17,138,998
Less accumulated depreciation for:				
Land improvements	(1,531,484)	(290,998)		(1,822,482)
Water plant				
Sewer plant				
Buildings	(331,177)	(39,730)		(370,907)
Machinery and equipment	(327,273)	(2,314)	8,532	(321,055)
Vehicles	(1,072,478)	(142,207)		(1,214,685)
Infrastructure	(373,642)	(144,591)		(518,233)
Total accumulated depreciation	(3,636,054)	(619,840)	8,532	(4,247,362)
Business-type activities capital assets, net	\$ 12,052,123	\$ 1,865,692	\$ (1,026,179)	\$12,891,636

**CITY OF BELLE GLADE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011**

NOTE 6 - CAPITAL ASSETS (Continued)

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:

General government	\$ 110,852
Public safety	34,408
Transportation	315,365
Physical environment	4,085
Culture/recreation	197,388
Economic environment	28,365
Total depreciation expense governmental activities	<u><u>\$ 690,463</u></u>

Business-type activities

Garbage and solid waste	\$ 127,735
Marina	330,170
Stormwater utility	161,935
Total depreciation expense business-type activities	<u><u>\$ 619,840</u></u>

Construction Commitments

Contracts awarded but not yet completed were as follows:

<u>Project Description</u>	<u>Estimated Costs</u>
Boat Lock	\$ 120,874
Airport Park	165,800
Belle Glade Marina Improvements	<u>336,092</u>
	<u><u>\$ 622,766</u></u>

**CITY OF BELLE GLADE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011**

NOTE 7 - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances at September 30, 2011, is as follows:

<u>Receivable Fund:</u>	<u>Payable Fund:</u>	<u>Advance</u>
General	Marina	\$ 882,989
Garbage & solid waste	General	<u>4,839</u>
		<u>887,828</u>

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

<u>Transfer Out:</u>	<u>Transfer In:</u>	<u>Amount</u>
General	Capital projects	\$ 132,636
General	Non-major governmental fund	5,398
Water & sewer	General	374,029
Garbage & solid waste	General	<u>272,875</u>
		<u>\$ 784,938</u>

The transfers to the capital project fund and the non-major governmental fund were to move unrestricted general fund revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs. The transfers into the general fund were to forestall the need for a property tax increase.

**CITY OF BELLE GLADE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011**

NOTE 8 - LONG-TERM DEBT

Changes in long-term liabilities

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
OPEB (see Note 13)	\$ 52,270	\$ 15,148	\$	\$ 67,418	\$
Compensated absences	387,535	4,529		392,064	136,678
Claims and judgments		225,000		225,000	225,000
Governmental activities					
Long-term liabilities	<u>\$ 439,805</u>	<u>\$ 244,677</u>	<u>\$</u>	<u>\$ 684,482</u>	<u>\$ 361,678</u>
Business-type activities:					
OPEB (see Note 13)	\$ 15,022	\$ 3,997	\$	\$ 19,019	\$
Compensated absences	192,527		(39,030)	153,497	34,573
Business-type activities					
Long-term liabilities	<u>\$ 207,549</u>	<u>\$ 3,997</u>	<u>\$ (39,030)</u>	<u>\$ 172,516</u>	<u>\$ 34,573</u>

The liabilities for compensated absences and claims and judgments payable are paid out of the fund where the related employee works.

Claims and judgments

On September 8, 2008, a former employee filed a complaint against the City claiming breach of contract and breach of the covenant of good faith relative to their employment agreement with the City. The amount sought was in excess of \$400,000. Subsequent to September 30, 2011, this matter was settled for the amount of \$225,000. A liability for this amount is recorded in the governmental activities.

**CITY OF BELLE GLADE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011**

NOTE 9 – SUBLEASE OF FACILITIES

Municipal RV Park/Campground

On March 16, 2009, the City entered into an agreement with the Torry Island Recreational Management Corporation (Manager) for the operation and maintenance of the City's Municipal RV Park/Campground by the Manager. Under the agreement the Manager will operate and maintain all property owned by the City on Torry Island. In addition, the Manager will develop and improve the portion of Torry Island covered by the contract to increase public access and create eco, marine and heritage-tourism opportunities that will make the City of Belle Glade a destination point for visitors. The term of the contract is for 25 years commencing on March 16, 2009 and expiring on March 30, 2034. During the first year of the contract the Manager shall pay the City an annual fee of \$25,000 to be made in four quarterly installments. During the second year and through the fifth year of the contract the Manager shall pay to the City the greater of: (a) 6% of its Gross Revenue for the first year; (b) 50% of its Net Profits for the first year; or (c) \$25,000. The annual fee shall be paid in quarterly installments. Starting the sixth year the Manager shall pay to the City the greater of: (a) 6% of its Gross Revenue for the previous year; (b) 50% of its Net Profits for the previous year; or (c) \$30,000, with this dollar amount increasing \$5,000 every year of the contract thereafter. The annual fee shall be paid in quarterly installments. Rental revenue paid to the City for the fiscal year ended September 30, 2011, was \$25,000.

Golf Course

On January 31, 2008, the City entered into an agreement with Golf Operators Link of Florida, LLC, to obtain professional management services for the Belle Glade Municipal golf course. Golf Operators Link of Florida will maintain the golf course, greens, fairways and all related grounds and the servicing and maintenance of all related facilities and equipment for the golf course. The agreement is effective on February 1, 2008 and expires on January 31, 2013; the agreement may be extended for five years upon the City's approval. Golf Operators Link of Florida LLC will keep all proceeds from the Golf operations.

On June 4, 2012, the contract between Golf Operators Link of Florida, LLC and the City was extended through September 30, 2017. The City also agreed to reimburse Golf Operators Link of Florida, LLC for eligible expenses up to \$60,000 for each fiscal year of the contract, starting with the fiscal year ended September 30, 2012. Expenses are considered eligible if they are directly incurred by Golf Operators Link of Florida, LLC for management and improvement of the Belle Glade municipal golf course.

**CITY OF BELLE GLADE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011**

NOTE 10 – EMPLOYEE RETIREMENT SYSTEMS

The City maintains two separate single-employer, defined benefit pension plans - General Employees' Retirement System (GERS) and Public Safety Officers' Retirement System (PRS) for the general employees, retired police officers, and retired firefighters.

The plans are established by the City and administered by a separate board of trustees for each plan. The PRS plan is included as blended component unit in the financial statements of the City of Belle Glade as a pension trust fund. The plan does not issue stand alone financial reports.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

All Retirement Systems

Basis of Accounting. The retirement systems are reported on the accrual basis of accounting. Plan members and state contributions are recognized as revenues in the period that the contributions are due. Employer contributions to each plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

Method Used to Value Investments. Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

PLAN DESCRIPTION AND CONTRIBUTION INFORMATION

The following descriptions of the Retirement Plans are provided for general information purposes only. Plan participants should refer to the appropriate source documents for more complete information on the plans.

Members of each plan consisted of the following at October 1, 2011, the date of the latest actuarial valuation:

	<u>GERS</u>	<u>PRS</u>
Retirees and beneficiaries currently receiving benefits	46	19
Terminated employees entitled to benefits but not yet receiving them	41	
Active employees:		
Vested	29	
Non-vested	<u>51</u>	<u> </u>
Total	<u>167</u>	<u>19</u>

**CITY OF BELLE GLADE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011**

NOTE 10 – EMPLOYEE RETIREMENT SYSTEMS (Continued)

General Employees' Retirement System

Plan Description. The plan provides retirement benefits as well as death and disability benefits. All benefits vest after ten years of credited service. General employees who are not sworn police officers or firefighters and who are under age 62 when hired may enter the plan following six months of credited service. Employees hired after April 9, 1990, shall become members of the system on the date of their employment as a condition of employment. Cost of living adjustments (COLA) are provided annually to reflect changes in CPI (subject to maximum increases or decreases of 3% per year). Authority to establish and amend the benefit provisions of the plan rests with the City Commission.

Employees become eligible for normal retirement benefits after attaining the age of 62 and completing ten years of credited service, attaining the age of 65, or completing 30 years of credited service. The normal retirement benefit consists of a life annuity, options available, (subject to cost of living adjustments not to exceed 3% a year), of 2% of final average earnings times the years of credited service. The following benefit provisions and definitions also apply to the public safety officers' pension plan. Early retirement benefits can be received at any date preceding the normal retirement date by not more than ten years. The benefit is determined as for normal retirement and actuarially reduced. Disability benefits can be received for total and permanent disabilities as determined by the Board of Trustees of the applicable pension trust (medical proof required). The benefits are paid following a six month waiting period, for life or recovery and are determined as if for a normal retirement on the date of disability.

If an active member dies, his beneficiary receives a refund of member contributions plus 3% interest. The benefit received upon death following retirement is dependent upon the optional form of benefit selected. If an employee terminates his employment, he is entitled to the following:

- With less than ten years of credited service, a refund of member contributions plus 3% interest.
- With ten or more years of credited service, a refund of member contributions, the accrued benefit payable at normal retirement date, or a reduced benefit paid at an otherwise early retirement date.

"Final average earnings" is the average of the five highest consecutive calendar years during the final ten years of service.

"Credited service" consists of years and completed months of uninterrupted service with the City. Any service during which the employee elected to waive participation or withdraw member contributions is excluded.

**CITY OF BELLE GLADE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011**

NOTE 10 – EMPLOYEE RETIREMENT SYSTEMS (Continued)

General Employees' Retirement System (Continued)

Contributions. General employees are required to contribute 4% of their basic compensation to the plan. The City is required to contribute the remaining amount to fund the plan using the Entry Age Normal Actuarial Cost Method. Contribution requirements of plan members and the City are established and may be amended by the City Commission.

Public Safety Officers' Retirement System

Plan Description. The plan provides retirement benefits as well as survivor benefits to retired members from the City's former Police and Fire Departments. This plan was created due to the election of certain inactive members in the City of Belle Glade Police Officers' Retirement Plan and the City of Belle Glade Firefighters' Retirement Plan electing to continue receiving their current monthly benefits upon termination of their respective plans. The plan is closed to active members. Cost of living adjustments (COLA) are provided annually to reflect changes in CPI (subject to maximum increases of 3% per year). Authority to establish and amend the benefit provisions of the plan rests with the City Commission.

Contributions. The City is required to contribute the remaining amount to fund the plan using the Aggregate Actuarial Cost Method.

Annual Pension Cost and Net Pension Obligation

The City's 2011 annual pension cost and actual contributions for the General Employees Retirement plan is shown below. The required contributions were determined as part of the October 1, 2011 actuarial valuation. The Public Safety Officers' plan had no annual pension costs or required contributions for 2011.

	<u>Annual Pension Cost</u>	<u>Required City Contribution</u>
General Employees Retirement System	\$158,565	\$144,341

CITY OF BELLE GLADE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

NOTE 10 – EMPLOYEE RETIREMENT SYSTEMS (Continued)

Components of Annual Pension Cost and Net Pension Obligation

The following schedule was determined as part of the October 1, 2011, actuarial valuation for the General Employees' Pension Plans. The Public Safety Officers' Pension did not have a net pension obligation.

Annual required contribution (ARC)	\$ 144,341
Interest on net pension obligation (NPO)	(13,676)
Adjustment to ARC	<u>27,900</u>
Annual pension cost	158,565
Actual contributions	<u>144,341</u>
Increase in NPO	14,224
NPO at beginning of year	<u>(170,952)</u>
NPO at end of year	<u><u>\$(156,728)</u></u>

Three Year Trend Information

	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
<u>General Employees Retirement System</u>			
2009	\$ 83,651	311%	\$(182,942)
2010	255,609	95	(170,952)
2011	158,565	91	(156,728)
<u>Public Safety Officers Retirement System</u>			
2009	\$ --	100%	\$ --
2010	\$ --	100%	\$ --
2011	\$ --	100%	\$ --

**CITY OF BELLE GLADE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011**

NOTE 10 – EMPLOYEE RETIREMENT SYSTEMS (Continued)

The following are the actuarial methods and significant actuarial assumptions:

	<u>General Employees Retirement System</u>	<u>Public Safety Officers Retirement System</u>
Valuation date	10/1/10	10/1/10
Actuarial Cost Method	Normal Entry Age	Aggregate
Amortized Method	Level percent of pay, closed	NA
Remaining Amortization Period	23 years	NA
Asset Valuation Method	Four year smooth market Included in calculation of normal cost	Market Value
Actuarial Assumptions:		
Investment rate of return*	8%	7%
Projected salary increase*	6%	NA
*Includes inflation at	3%	NA
Cost of living adjustments	3%	3%

Schedule of Funding Progress

The schedule of funding progress presented as required supplementary information following the notes to the financial statements, present multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability.

**CITY OF BELLE GLADE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011**

NOTE 10 – EMPLOYEE RETIREMENT SYSTEMS (Continued)

Funded Status

The funded status of the Plan as of the most recent actuarial valuation date was as follows:

	<u>General Employees Retirement System</u>	<u>Public Safety Officers Retirement System (1)</u>
Actuarial valuation date	10/01/11	10/1/11
Actuarial value of assets	\$12,287,207	\$ 4,655,664
Actuarial accrued liability	\$11,859,393	\$ 3,792,377
Unfunded actuarial accrued liability (UAAL)	\$ (427,814)	\$ (863,287)
Funded ratio	103.61%	122.76%
Covered payroll	\$ 2,755,045	
UAAL as a percentage of covered payroll	(15.53)%	NA

(1) The annual required contribution (ARC) is calculated using the aggregate actuarial cost method. Because the aggregate actuarial cost method does not separately amortize unfunded actuarial accrued liabilities, information about the Plan's funded status is calculated using the entry age actuarial cost method as a surrogate for the funding progress of the Plan.

NOTE 11 – DEFERRED COMPENSATION PLAN

Employees of the City of Belle Glade may participate in a deferred compensation plan adopted under the provisions of Internal Revenue Code Section 457 (Deferred Compensation Plans with Respect to Service for State and Local Governments).

The deferred compensation plan is available to all employees of the City. Under the plan, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death, or unforeseeable emergency.

Because the City has little administrative involvement and does not perform the investing function for funds in the Plan, the City's activities do not meet the criteria for inclusion in the fiduciary funds of a government. Consequently, the Plan is not included in the City's financial statements.

**CITY OF BELLE GLADE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011**

NOTE 12 – PENSION PLAN FINANCIAL INFORMATION

Generally accepted accounting principles (GAAP) requires that financial statements for individual pension plans be presented in the notes to the financial statements of the primary government if separate, GAAP financial reports have not been issued. The individual pension funds of the City of Belle Glade, Florida do not have separate GAAP reports issued and the financial information for these is presented below.

**Statement of Fiduciary Net Assets
September 30, 2011**

	General Employees	Public Safety Officers	Total Employee Retirement Funds
Assets			
Cash and cash equivalents	\$ 163,587	\$ 162,626	\$ 326,213
Investments at fair value			
U.S. government securities	3,008,050	657,314	3,665,364
Corporate bonds	388,546	978,170	1,366,716
Corporate stock	6,765,987	2,212,737	8,978,724
Asset backed securities	950,204		950,204
Mutual funds		687,007	687,007
Receivables			
Accounts	27,780		27,280
Due from participants		81,753	81,753
From Public Safety trust fund	61,636		61,636
Accrued dividends and interest	21,148	19,447	40,595
Total assets	11,386,938	4,799,054	16,185,992
Liabilities			
Prepaid pension contribution	25,229		25,229
Due to General Employee' trust fund		61,636	61,636
Total liabilities	25,229	61,636	86,865
Net Assets			
Held in trust for pension benefits and other purposes	\$11,361,709	\$4,737,418	\$16,099,127

**CITY OF BELLE GLADE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011**

NOTE 12 – PENSION PLAN FINANCIAL INFORMATION (Continued)

**Statement of Changes in Fiduciary Net Assets
For the Fiscal Year Ended September 30, 2011**

Additions	Employees	Public Safety Officers	Total Employee Retirement Funds
Contributions			
Employer	\$ 144,341	\$	\$ 144,341
Plan members	112,766		112,766
Total contributions	257,107		257,107
Investment income			
Net increase (decrease) in fair value of investments	(177,949)	8,713	(169,236)
Investment earnings	310,013	166,202	476,215
Miscellaneous income		8,813	8,813
Total investment income	132,064	183,728	315,792
Investment expenses	(103,088)		(103,088)
Total net investment income	28,976	183,728	212,704
Total additions	286,083	183,728	469,811
Deductions			
Retirement benefits	385,890	223,229	609,119
Refunds of contributions	72,971		72,971
Administrative expense	22,495	50,031	72,256
Total deductions	481,356	273,260	754,616
Net increase (decrease)	(195,273)	(89,532)	(284,805)
Net assets held in trust for pension benefits			
Net assets – beginning	11,556,982	4,826,950	16,383,932
Net assets – ending	\$11,361,709	\$4,737,418	\$16,099,127

CITY OF BELLE GLADE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

NOTE 13 – OTHER POST EMPLOYMENT BENEFITS

The City implemented Governmental Accounting Standards Board Statement 45 (GASB 45), *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, effective October 1, 2008. The City elected to implement prospectively, and the change in accounting principle had no effect on changes in net assets/fund equity for prior periods. Retirees of the City pay an amount equal to the actual premium for health insurance charged by the carrier, but there is an implied subsidy in the healthcare insurance premium for retirees because the premium charged for these retirees is the same as the premium charged for active employees, who are younger than retirees on average. This implied subsidy constitutes other postemployment benefits (OPEB) under GASB 45.

Plan Description

The City provides a single employer defined benefit health care plan to all of its employees. The plan allows its employees and their beneficiaries, to continue to obtain health and dental benefits upon retirement. The normal retirement age for City employees is age 65. The benefits of the plan are in accordance with Florida Statutes, which are the legal authority for the plan. The plan has no assets and does not issue a separate financial report.

Funding Policy

The City does not directly make a contribution to the plan on behalf of retirees. Retirees and their beneficiaries pay the same group rates as are charged to the City for active employees by its healthcare provider. However, the City's actuaries, in their actuarial valuation, calculate an offset to the cost of these benefits as an Employer Contribution, based upon an implicit rate subsidy. This offset equals the total age-adjusted costs paid by the City or its active employees for coverage of the retirees and their dependents for the year net of the retiree's own payments for the year.

Annual OPEB Cost and Net OPEB Obligation

The annual other post employment benefit (OPEB) cost is calculated based on the annual required contribution of the employer, an amount actuarially determined in accordance with GASB Statement No. 45. The annual required contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities over a period not to exceed 30 years.

**CITY OF BELLE GLADE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011**

NOTE 13 – OTHER POST EMPLOYMENT BENEFITS (Continued)

The annual OPEB cost and the net OPEB obligation for the City for the current year and the related information is as follows:

Required contribution rates:	
Employer	Pay-as-you-go
Plan members	N/A
Normal cost	\$ 20,112
Interest on normal cost	881
Amortization	14,738
Interest on amortization	737
Interest on Net OPEB obligation	3,365
Adjustment to annual required contribution	<u>(4,234)</u>
Annual OPEB cost	35,599
Contributions made	<u>(16,454)</u>
Increase in net OPEB obligation	19,145
Net OPEB obligation October 1, 2010	<u>67,292</u>
Net OPEB obligation September 30, 2011	<u>\$ 86,437</u>

Trend Information

Three-Year Trend Information			
Fiscal Year End	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
09/30/09	\$54,867	59.8%	\$22,042
09/30/10	\$66,863	32.3%	\$67,292
09/30/11	\$35,599	46.2%	\$86,437

Funded Status

The funded status of the plan as of most recent actuarial valuation date was as follows:

Actuarial valuation date	10/01/2010
Actuarial accrued liability	\$ 223,172
Actuarial value of plan assets	\$
Unfunded actuarial accrued liability (UAAL)	\$ 223,172
Funded ratio	0.0%
Covered payroll	\$2,764,791
UAAL as a percentage of covered payroll	8.1%

**CITY OF BELLE GLADE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011**

NOTE 13 – OTHER POST EMPLOYMENT BENEFITS (Continued)

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are comparable with past expectations and new estimates are made about the future. The schedule of funding progress presented as required supplementary information following the notes to the financial statements, will present multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. Because the fiscal year ended September 30, 2009 was the year of implementation of GASB 45 and the City elected to apply the statement prospectively, only two years is presented in the schedule at this time. In future years, required trend data will be presented. The City has not contributed assets to the plan at this time.

Actuarial Methods and Assumptions

Projections of benefits are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the City and the plan members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant methods and assumptions were as follows:

Actuarial valuation date	10/01/2010
Actuarial cost method	Entry Age
Amortization method	30 Years
Remaining amortization period	27 years
Asset valuation method	Unfunded
Actual assumptions:	
Investment rate of return	5%
Healthcare cost trend	8% for 2011 decreasing to 5% in 2014

NOTE 14 – RELATED PARTY TRANSACTIONS

The General Fund provides the other funds with various management services. Administrative costs totaling \$243,367, \$46,800, \$9,302 and \$12,731 were charged to the Garbage and Solid Waste, Stormwater Utility, CRA and CRIP funds, respectively, for 2011.

**CITY OF BELLE GLADE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011**

NOTE 15 – JOINTLY GOVERNED ORGANIZATION

On June 16, 2009, the Glades Utility Authority (GUA) was established when Palm Beach County and the Cities of Belle Glade, Pahokee, and South Bay approved an Interlocal Agreement for establishment of the GUA pursuant to Chapter 163, Florida Statutes; and also approved a Transition Agreement.

These agreements superseded the interlocal agreements approved on February 3, 2004 for the construction, operation, and maintenance of the Lake Region Water Treatment Plant, wherein the Cities of Belle Glade, Pahokee, and South Bay purchased treated water on a wholesale basis from Palm Beach County.

The GUA, which began operations on October 1, 2009, is a regional partnership established for the purpose of providing water, wastewater, and reclaimed water services to the residents of Belle Glade, Pahokee, and South Bay and surrounding areas in an efficient and fiscally responsible manner. Under the Agreement, the GUA:

- Assumed the existing utility debt of the cities;
- Established sustainable financial policies;
- Assumed ownership of utility assets, including the Lake Region Water Treatment Plant and the Belle Glade and Pahokee wastewater plants;
- Began to rehabilitate the systems;
- Began to correct regulatory violations;
- Improved revenue collections; and
- Decreased costs through economies of scale.

The Interlocal Agreement provides for a Governing Board (Board) of seven members, one each from Pahokee and South Bay, two from Belle Glade, and three from the County, each of whom shall be appointed by their respective entity, except that one member appointed by the County must be a resident of the service area. No elected officials may be appointed to the Board. Initially, the Board members from the three Cities and the resident of the service area appointed by the County shall have one vote and each of the other County members shall have two votes each. The affirmative vote of Board members holding a majority of the votes shall be required for passage of any item, provided the affirmative vote of at least one of the three cities shall be required for the passage of an item. The voting will change after five years provided that:

**CITY OF BELLE GLADE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011**

NOTE 15 – JOINTLY GOVERNED ORGANIZATION (Continued)

- The GUA has two consecutive years generating sufficient revenue to pay all expenses;
- The GUA meets all debt service requirements;
- The GUA has been in substantial compliance with all material health and environmental laws; All indebtedness related to capital costs incurred by the County has been assumed, refinanced, or paid by the GUA; and
- Any debt incurred by the County as a backup pledge for the GUA has been retired.

When these conditions have been met, each Board member thereafter will have one vote, provided that at least one vote from a County appointee and at least one vote from a City appointee would be required for passage of any resolution or motion. An Executive Director has been appointed by the GUA Board.

The Transition Agreement (Agreement) set forth the details for transferring assets, customer accounts, and employees, and provided for cooperation and exchange of information needed for a smooth transition. Initially, the Agreement provided for the GUA to contract with the County to provide all utility services, and all City utility employees became employees of the County, provided that they meet minimum hiring requirements. The Agreement further requires the GUA to pay an annual host franchise fee to the three Cities of 7% of the GUA's gross revenues from within each City's service area. The City has recorded \$613,078 as revenue for the fiscal year ending September 30, 2011.

During the year ended September 30, 2011, the City paid \$84,858 to the GUA as a customer for water and sewer service.

NOTE 16 – RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City continues to purchase commercial insurance to cover the various risks. Retention of risks is limited to those risks that are uninsurable, and deductibles ranging from \$100 to \$2,500 per occurrence. There were no settled claims which exceeded insurance coverage during the past three fiscal years.

As a member of Public Risk Management, the responsibility of the City is to pay those premiums charged by the nonassessable pool for workers compensation coverage. The pool is responsible to pay all claims incurred by the City. The City may terminate the membership based on at least one year notice to the pool. All pool policies are on an occurrence basis.

**CITY OF BELLE GLADE, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011**

NOTE 16 – RISK MANAGEMENT (Continued)

Major uninsurable risks include damages to infrastructure assets. Since the amount of loss cannot be reasonably estimated and the likelihood of occurrence is not determinable, no provision for losses is reflected in the financial statements.

NOTE 17 – COMMITMENTS AND CONTINGENCIES

Contingencies

The City is involved in various litigations and claims arising in the course of operations. It is the opinion of legal counsel that the likelihood of unfavorable outcome and the amounts of potential losses cannot be reasonably determined at this time. Accordingly, other than the claim and judgment discussed in Note 8, no provision for any liability that may result has been made in the accompanying financial statements.

Palm Beach County Sheriff's Office Inter-local Agreement

On July 10, 2006, in a special meeting, The City approved an agreement for law enforcement services between the City and the Palm Beach County Sheriff's Office beginning July 12, 2006, and ending September 30, 2008. The contract has been extended through September 30, 2013. The City will pay \$3,596,112 total in equal monthly installments for the period October 1, 2008 through September 30, 2009, \$2,768,884 each fiscal year for the period October 1, 2009 through September 30, 2013. Annual renewals commencing October 1, 2013, will be negotiated.

Fire Protection and Emergency Medical Services

Pursuant to Palm Beach County Ordinance No. 83-23, as amended, and City of Belle Glade Ordinance No. 05-30, the City has opted into the County's Fire Rescue Municipal Services Taxing Unit ("MSTU") for the provision of fire rescue, fire protection, and related services from the County commencing on October 1, 2006. The tax for MSTU is included in the maximum 10 mills the City is legally allowed to assess. On September 30, 2011, the MSTU portion of the City's millage rate was 3.4581 mills.

NOTE 18 – ACCOUNTING CHANGE

GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. The City implemented this standard in fiscal year 2011. Changes to the government fund type fund balance reporting are reflected in the financial statements and schedules. Related disclosures are included in Note 1.

REQUIRED SUPPLEMENTAL INFORMATION OTHER THAN MD&A

CITY OF BELLE GLADE, FLORIDA
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
General Fund
For the Fiscal Year Ended September 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 4,982,864	\$ 4,982,864	\$ 5,052,960	\$ 70,096
Licenses and permits	315,500	315,500	265,905	(49,595)
Intergovernmental revenues	2,283,227	2,919,614	2,674,182	(245,432)
Charges for services	351,332	351,332	255,159	(96,173)
Fines and forfeitures	76,730	76,730	73,024	(3,706)
Miscellaneous revenues	368,386	391,155	502,892	111,737
Total revenues	8,378,039	9,037,195	8,824,122	(213,073)
Expenditures				
Current				
General government	3,061,504	3,072,158	2,636,558	435,600
Public safety	3,609,929	3,729,374	3,575,746	153,628
Transportation	737,386	1,245,363	857,708	387,655
Physical environment	753,747	752,458	657,805	94,653
Culture/recreation	577,586	586,900	517,899	69,001
Economic environment	2,489	2,489	1,224	1,265
Grants and aids		85,000	85,000	
Capital outlay	43,975	167,729	37,112	130,617
Total expenditures	8,786,616	9,641,471	8,369,052	1,272,419
Excess of revenues over (under) expenditures	(408,577)	(604,276)	455,070	1,059,346
Other financing sources (uses)				
Operating transfers in	746,904	746,904	646,904	(100,000)
Operating transfers (out)	(206,207)	(238,843)	(138,034)	100,809
Total other financing sources (uses)	540,697	508,061	508,870	809
Net changes in fund balances	\$ 132,120	\$ (96,215)	963,940	\$ 1,060,155
Fund balances - Beginning			2,372,647	
Fund balances - Ending			\$ 3,336,587	

CITY OF BELLE GLADE, FLORIDA
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual
Community Revitalizing Initiative Fund
For the Fiscal Year Ended September 30, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Miscellaneous revenues	\$ 32,006	\$ 32,006	\$ 19,363	\$ (12,643)
Total revenues	<u>32,006</u>	<u>32,006</u>	<u>19,363</u>	<u>(12,643)</u>
Expenditures				
Economic environment	<u>32,006</u>	<u>32,006</u>	<u>29,874</u>	<u>2,132</u>
Total expenditures	<u>32,006</u>	<u>32,006</u>	<u>29,874</u>	<u>2,132</u>
Net changes in fund balances	<u>\$</u>	<u>\$</u>	<u>(10,511)</u>	<u>\$ (10,511)</u>
Fund balances - Beginning			<u>1,701,248</u>	
Fund balances - Ending			<u>\$ 1,690,737</u>	

CITY OF BELLE GLADE, FLORIDA
Notes to the Budgetary
Required Supplementary Information (RSI)
September 30, 2011

Note 1 - Basis of Accounting

Generally accepted accounting principles (GAAP) serve as the budgetary basis of accounting.

Note 2 - Excess of expenditures over appropriations

Other General Government	
Operating expenses	\$ 37,567

CITY OF BELLE GLADE, FLORIDA
Required Supplemental Information
September 30, 2011

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)- Entry Age(1) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
--------------------------------	--	--	------------------------------------	--------------------------	---------------------------	---

Other Post Employment Benefits (OPEB)

10/01/08	\$	\$ 438,615	\$ 438,615	0.0%	\$ 3,239,723	13.5%
10/01/09	\$	\$ 390,026	\$ 390,026	0.0%	\$ 2,801,604	13.9%
10/01/10	\$	\$ 223,172	\$ 223,172	0.0%	\$ 2,764,791	8.1%

The schedule of funding progress presented above will present multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. Because the fiscal year ended September 30, 2009 was the year of implementation of GASB 45 and the City elected to apply the statement prospectively, only three years is presented in the schedule at this time. In future years, required trend data will be presented. The City has not contributed assets to the plan at this time.

CITY OF BELLE GLADE, FLORIDA
Required Supplemental Information
September 30, 2011

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)- (b)	Unfunded AAL (UAAL) (b -a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
<u>General Employees Retirement System</u>						
10/1/2006	10,973,899	10,700,399	(273,500)	102.56%	3,690,393	-7.41%
10/1/2007	11,990,856	10,981,467	(1,009,389)	109.19%	3,836,202	-26.31%
10/1/2008	12,384,925	10,757,632	(1,627,293)	115.13%	3,373,646	-48.24%
10/1/2009	12,593,393	12,250,630	(342,763)	102.80%	3,458,032	-9.91%
10/1/2010	12,602,518	11,256,078	(1,346,440)	111.96%	2,687,813	-50.09%
10/1/2011	12,287,207	11,859,393	(427,814)	103.61%	2,755,045	-15.53%
<u>Public Safety Officers Retirement System (1)</u>						
10/1/2008	4,454,412	3,620,585	(833,827)	123.03%	-	N/A
10/1/2009	4,583,203	3,485,625	(1,097,578)	131.49%	-	N/A
10/1/2010	4,745,197	3,962,685	(782,512)	119.75%	-	N/A
10/1/2011	4,655,664	3,792,377	(863,287)	122.76%	-	N/A

(1) The annual required contribution (ARC) is calculated using the aggregate actuarial cost method. Information in this schedule is calculated using the entry age actuarial cost method as a surrogate for the funding progress of the Plan.

CITY OF BELLE GLADE, FLORIDA
Required Supplemental Information
September 30, 2011

Schedule of Contributions

<u>Fiscal Year</u> <u>Ended</u> <u>September 30</u>	<u>Annual</u> <u>Required</u> <u>Contribution</u>	<u>City</u> <u>Contribution</u>	<u>Percentage</u> <u>Contributed</u>
<u>General Employees Retirement System</u>			
2006	268,244	268,244	100.0%
2007	237,119	242,875	102.4%
2008	219,099	220,000	100.4%
2009	83,258	260,000	312.3%
2010	243,619	243,619	100.0%
2011	144,341	144,341	100.0%
<u>Police Safety Officers Retirement System</u>			
2009	-	-	100.0%
2010	-	-	100.0%
2011	-	-	100.0%

CITY OF BELLE GLADE, FLORIDA
Notes to the Trend Data
September 30, 2011

	General Employees Retirement System	Public Safety Officers Retirement System
Contribution rates as of 9/30/11		
City	5.1%	0.0%
Plan Members	4.0%	N/A
Actuarially Determined Contribution	144,341	0
Contributions Made	144,341	0
Valuation date	10/1/2010	10/1/2010
Actuarial Cost Method	Normal Entry Age	Aggregate
Amortized Method	Level percent, of pay, closed	N/A
Remaining Amortization Period	23 years	N/A
Asset Valuation Method	Four year smooth market	Market Value
Administrative Costs	Included in calculation of normal cost	Included in calculation of normal cost
Actuarial Assumption:		
Investment rate of return *	8%	7%
Projected salary increase *	6%	N/A
*Includes inflation at	3%	N/A
Cost of living adjustments	3%	3%

FIDUCIARY FUNDS

Pension Trust Funds

General Employees Pension Trust Fund

Public Safety Officers Pension Trust Fund

CITY OF BELLE GLADE
Pension Trust Funds
Combining Statement of Fiduciary Net Assets
September 30, 2011

	<u>General Employees</u>	<u>Public Safety</u>	<u>Total Employee Retirement Funds</u>
Assets			
Cash and cash equivalents	\$ 163,587	\$ 162,626	\$ 326,213
Investments at fair value			
U.S. government securities	3,008,050	657,314	3,665,364
Corporate bonds	388,546	978,170	1,366,716
Corporate stock	6,765,987	2,212,737	8,978,724
Asset backed securities	950,204		950,204
Mutual funds		687,007	687,007
Receivables			
Accounts	27,780		27,780
Due from participants		81,753	81,753
From Public Safety trust fund	61,636		61,636
Accrued dividends and interest	21,148	19,447	40,595
Total assets	<u>11,386,938</u>	<u>4,799,054</u>	<u>16,185,992</u>
Liabilities			
Prepaid pension contribution	25,229		25,229
Due to General Employee' trust fund		61,636	61,636
Total liabilities	<u>25,229</u>	<u>61,636</u>	<u>86,865</u>
Net Assets			
Held in trust for pension benefits and other purposes	<u>\$ 11,361,709</u>	<u>\$ 4,737,418</u>	<u>\$ 16,099,127</u>

(See a schedule of funding progress for each plan is presented on page 75)

CITY OF BELLE GLADE, FLORIDA
Combining Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
September 30, 2011

	General Employees	Public Safety	Total Employee Retirement Funds
Additions			
Contributions			
Employer	\$ 144,341	\$	\$ 144,341
Plan members	112,766		112,766
Total contributions	<u>257,107</u>		<u>257,107</u>
Investment income			
Net increase (decrease) in fair value of investments	(177,949)	8,713	(169,236)
Investment earnings	310,013	166,202	476,215
Miscellaneous income		8,813	8,813
Total investment income	<u>132,064</u>	<u>183,728</u>	<u>315,792</u>
Investment expenses	<u>(103,088)</u>		<u>(103,088)</u>
Total net investment income	<u>28,976</u>	<u>183,728</u>	<u>212,704</u>
Total additions	<u>286,083</u>	<u>183,728</u>	<u>469,811</u>
Deductions			
Retirement benefits	385,890	223,229	609,119
Refunds of contributions	72,971		72,971
Administrative expense	22,495	50,031	72,526
Total deductions	<u>481,356</u>	<u>273,260</u>	<u>754,616</u>
Net increase (decrease)	(195,273)	(89,532)	(284,805)
Net assets held in trust for pension benefits			
Net assets - beginning	11,556,982	4,826,950	16,383,932
Net assets - ending	<u>\$ 11,361,709</u>	<u>\$ 4,737,418</u>	<u>\$ 16,099,127</u>

OTHER SUPPLEMENTAL INFORMATION

GENERAL FUND

CITY OF BELLE GLADE, FLORIDA
General Fund
Schedule of Revenues - Budget and Actual
For the Fiscal Year Ended September 30, 2011

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
	<u> </u>	<u> </u>	<u> </u>
Taxes			
Ad valorem taxes	\$ 1,764,900	\$ 1,754,345	\$ (10,555)
Local option gas tax	390,281	417,656	27,375
Franchise taxes	1,354,709	1,335,349	(19,360)
Utility taxes	<u>1,472,974</u>	<u>1,545,610</u>	<u>72,636</u>
Total Taxes	<u>4,982,864</u>	<u>5,052,960</u>	<u>70,096</u>
Licenses and Permits			
Occupational licenses	137,500	132,237	(5,263)
Building permits	175,000	130,918	(44,082)
Other permits	<u>3,000</u>	<u>2,750</u>	<u>(250)</u>
Total Licenses and Permits	<u>315,500</u>	<u>265,905</u>	<u>(49,595)</u>
Intergovernmental Revenue			
Half cent sales tax	1,070,672	1,097,182	26,510
State revenue sharing	765,180	838,167	72,987
Palm Beach County grants	182,720	127,274	(55,446)
Federal grants	222,312	161,078	(61,234)
State grants	613,530	392,371	(221,159)
County - occupational licenses	39,000	35,751	(3,249)
Other	<u>26,200</u>	<u>22,359</u>	<u>(3,841)</u>
Total Intergovernmental Revenue	<u>2,919,614</u>	<u>2,674,182</u>	<u>(245,432)</u>

(Continued)

CITY OF BELLE GLADE, FLORIDA
General Fund
Schedule of Revenues - Budget and Actual
For the Fiscal Year Ended September 30, 2011

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
	<u> </u>	<u> </u>	<u> </u>
Charges for Services			
Mosquito control	\$ 136,000	\$ 135,281	\$ (719)
Other charges	212,063	116,149	(95,914)
Parking - loading zone	2,769	1,300	(1,469)
Concessions	<u>500</u>	<u>2,429</u>	<u>1,929</u>
Total Charges for Services	<u>351,332</u>	<u>255,159</u>	<u>(96,173)</u>
Fines and Forfeits			
Court fines	26,730	34,666	7,936
Other	<u>50,000</u>	<u>38,358</u>	<u>(11,642)</u>
Total Fines and Forfeits	<u>76,730</u>	<u>73,024</u>	<u>(3,706)</u>
Miscellaneous Revenues			
Reimbursement - sanitation	243,367	243,367	
Reimbursement - CRIP	12,731	12,731	
Reimbursement - stormwater utility	46,800	46,800	
Reimbursement - CRA	10,539	9,302	(1,237)
Interest earnings	3,000	3,525	525
Donations	22,769	22,769	
Rents	51,949	70,523	18,574
Surplus equipment		75,000	75,000
Insurance proceeds		14,784	14,784
Other		<u>4,091</u>	<u>4,091</u>
Total Miscellaneous Revenues	<u>391,155</u>	<u>502,892</u>	<u>111,737</u>
Total Revenues	<u>\$ 9,037,195</u>	<u>\$ 8,824,122</u>	<u>\$ (213,073)</u>

CITY OF BELLE GLADE, FLORIDA
General Fund
Schedule of Departmental Expenditures - Budget and Actual
For the Fiscal Year Ended September 30, 2011

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
General Government			
City Commission			
Personal services	\$ 83,526	\$ 82,183	\$ 1,343
Operating expenses	50,818	34,758	16,060
Total City Commission	134,344	116,941	17,403
City Manager			
Personal services	395,202	360,673	34,529
Operating expenses	71,852	54,442	17,410
Total City Manager	467,054	415,115	51,939
Personnel			
Personnel services	223,124	197,748	25,376
Operating expenses	30,069	21,240	8,829
Total Personnel	253,193	218,988	34,205
Purchasing			
Personal services	72,312	68,519	3,793
Operating expenses	26,792	22,073	4,719
Reimbursements	(20,000)	(12,533)	(7,467)
Total Purchasing	79,104	78,059	1,045
Counsel and Legal			
Operating expenses	200,000	158,103	41,897
City Hall			
Operating expenses	123,086	113,488	9,598

(Continued)

CITY OF BELLE GLADE, FLORIDA
General Fund
Schedule of Departmental Expenditures - Budget and Actual
For the Fiscal Year Ended September 30, 2011

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
General Government (Continued)			
Public Relations			
Personal services	\$ 13,784	\$ 13,783	\$ 1
Operating expenses	60,328	46,379	13,949
Total Public Relations	74,112	60,162	13,950
Finance			
Personal services	614,664	494,202	120,462
Operating expenses	155,524	134,857	20,667
Total Finance	770,188	629,059	141,129
Information Technology			
Personal services	138,381	132,883	5,498
Operating expenses	67,973	47,218	20,755
Total Information Technology	206,354	180,101	26,253
City Clerk			
Personal services	175,204	166,331	8,873
Operating expenses	107,860	63,796	44,064
Total City Clerk	283,064	230,127	52,937
Civil Service Board			
Personal services	3,552	1,098	2,454
Operating expenses	187		187
Total Civil Service Board	3,739	1,098	2,641

(Continued)

CITY OF BELLE GLADE, FLORIDA
General Fund
Schedule of Departmental Expenditures - Budget and Actual
For the Fiscal Year Ended September 30, 2011

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
General Government (Continued)			
Other General Government			
Personal services	\$ 37,964	\$ 19,659	\$ 18,305
Operating expenses	164,823	202,390	(37,567)
Total Other General Government	202,787	222,049	(19,262)
Garage			
Personal services	343,218	310,181	33,037
Operating expenses	223,955	196,598	27,357
Reimbursements	(292,040)	(293,511)	1,471
Total Garage	275,133	213,268	61,865
Total General Government	3,072,158	2,636,558	435,600
Public Safety			
Police			
Personal services	2,000		2,000
Operating expenses	2,782,789	2,778,939	3,850
Total Police	2,784,789	2,778,939	5,850
Youth Empowerment			
Personal services	167,619	166,076	1,543
Operating expenses	77,906	50,422	27,484
Total Youth Empowerment	245,525	216,498	29,027
Project Safe Neighborhood			
Operating expenses	51,486	7,499	43,987

(Continued)

CITY OF BELLE GLADE, FLORIDA
General Fund
Schedule of Departmental Expenditures - Budget and Actual
For the Fiscal Year Ended September 30, 2011

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Public Safety (Continued)			
Traffic Control			
Personal services	\$ 50,696	\$ 47,128	\$ 3,568
Operating expenses	42,816	23,837	18,979
Total Traffic Control	93,512	70,965	22,547
Planning and Building			
Personal services	417,378	400,928	16,450
Operating expenses	101,539	65,778	35,761
Total Planning and Building	518,917	466,706	52,211
Code Enforcement Board			
Operating expenses	35,145	35,139	6
Total Public Safety	3,729,374	3,575,746	153,628
Transportation			
Streets			
Personal services	224,023	184,989	39,034
Operating expenses	199,611	119,950	79,661
Total Streets	423,634	304,939	118,695
Street Lighting			
Operating expenses	205,000	177,807	27,193
Airport			
Operating expenses	23,199	11,406	11,793
Public Transit System			
Operating expenses	593,530	363,556	229,974
Total Transportation	1,245,363	857,708	387,655

(Continued)

CITY OF BELLE GLADE, FLORIDA
General Fund
Schedule of Departmental Expenditures - Budget and Actual
For the Fiscal Year Ended September 30, 2011

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Physical Environment			
Buildings and Grounds			
Personal services	\$ 393,812	\$ 356,414	\$ 37,398
Operating expenses	<u>178,768</u>	<u>172,434</u>	<u>6,334</u>
Total Buildings and Grounds	<u>572,580</u>	<u>528,848</u>	<u>43,732</u>
Public Works			
Personal services	140,734	104,514	36,220
Operating expenses	<u>36,394</u>	<u>23,635</u>	<u>12,759</u>
Total Public Works	<u>177,128</u>	<u>128,149</u>	<u>48,979</u>
Mosquito Spraying			
Operating expenses	<u>2,750</u>	<u>808</u>	<u>1,942</u>
Total Physical Environment	<u>752,458</u>	<u>657,805</u>	<u>94,653</u>
Culture/Recreation			
Library			
Operating expenses	<u>19,248</u>	<u>16,073</u>	<u>3,175</u>
Recreation			
Personal services	295,988	265,083	30,905
Operating expenses	<u>250,510</u>	<u>226,628</u>	<u>23,882</u>
Total Recreation	<u>546,498</u>	<u>491,711</u>	<u>54,787</u>
Country Club			
Operating expenses	<u>21,154</u>	<u>10,115</u>	<u>11,039</u>
Total Culture/Recreation	<u>586,900</u>	<u>517,899</u>	<u>69,001</u>

(Continued)

CITY OF BELLE GLADE, FLORIDA
General Fund
Schedule of Departmental Expenditures - Budget and Actual
For the Fiscal Year Ended September 30, 2011

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Economic Environment			
Business Park			
Operating expenses	\$ 2,489	\$ 1,224	\$ 1,265
Total Economic Environment	<u>2,489</u>	<u>1,224</u>	<u>1,265</u>
Grants and Aids			
Golf Course	50,000	50,000	
Marina	35,000	35,000	
Total Grants and Aids	<u>85,000</u>	<u>85,000</u>	
Capital Outlay			
City Manager	1,700	968	732
Personnel	19,710	6,735	12,975
City Hall	48,280		48,280
Public Transit System	46,500	5,793	40,707
Traffic Control	1,500		1,500
Public Works	19,049	8,467	10,582
Recreation	30,990	15,149	15,841
Total Capital Outlay	<u>167,729</u>	<u>37,112</u>	<u>130,617</u>
Total Expenditures	<u>\$ 9,641,471</u>	<u>\$ 8,369,052</u>	<u>\$ 1,272,419</u>

CAPITAL PROJECTS FUND

CITY OF BELLE GLADE, FLORIDA
Capital Projects Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Fiscal Year Ended September 30, 2011

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
Revenues			
Intergovernmental revenues	\$ 1,063,041	\$ 765,625	\$ (297,416)
Miscellaneous revenues	<u>60,659</u>	<u>9,791</u>	<u>(50,868)</u>
Total revenues	<u><u>\$ 1,123,700</u></u>	<u><u>\$ 775,416</u></u>	<u><u>\$ (348,284)</u></u>
Expenditures			
General government - operating	\$ 1,060	\$	\$ 1,060
Transportation - operating	187,500	21,700	165,800
Culture/recreation - operating	8,089	6,392	1,697
Capital outlay	<u>1,059,687</u>	<u>818,838</u>	<u>240,849</u>
Total expenditures	<u><u>\$ 1,256,336</u></u>	<u><u>\$ 846,930</u></u>	<u><u>\$ 409,406</u></u>

SPECIAL REVENUE FUND

Community Redevelopment Agency Trust Fund

CITY OF BELLE GLADE, FLORIDA
Community Redevelopment Agency
Schedule of Revenues and Expenditures - Budget and Actual
For the Fiscal Year Ended September 30, 2011

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
Revenues			
Intergovernmental revenues	\$ 4,607	\$ 3,919	\$ (688)
Miscellaneous revenues	<u> </u>	<u>175</u>	<u>175</u>
Total revenues	<u>\$ 4,607</u>	<u>\$ 4,094</u>	<u>\$ (513)</u>
Expenditures			
Economic environment Operating expenses	<u>\$ 10,814</u>	<u>\$ 9,477</u>	<u>\$ 1,337</u>
Total expenditures	<u>\$ 10,814</u>	<u>\$ 9,477</u>	<u>\$ 1,337</u>

STATISTICAL SECTION

STATISTICAL SECTION

This part of the City of Belle Glades' comprehensive annual financial report presents detailed unaudited information as a context for understanding what the information in the financial statement, note disclosures, and required supplementary information says about the City's overall financial health.

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Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

CITY OF BELLE GLADE, FLORIDA

NET ASSETS BY COMPONENT

LAST NINE FISCAL YEARS

(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year				
	2003	2004	2005	2006	2007
Governmental Activities:					
Invested in capital assets, net of related debt	\$ 13,337,265	\$ 13,038,737	\$ 13,220,178	\$ 12,665,117	\$ 12,830,929
Restricted	1,714,798	1,732,351	1,718,391	1,764,347	1,726,616
Unrestricted	3,402,827	2,165,412	1,575,014	1,743,937	2,266,408
Total governmental activities net assets	<u>18,454,890</u>	<u>16,936,500</u>	<u>16,513,583</u>	<u>16,173,401</u>	<u>16,823,953</u>
Business-Type Activities:					
Invested in capital assets, net of related debt	8,970,089	9,088,712	12,055,533	12,665,391	15,733,430
Restricted	5,854,705	5,648,636	3,493,243	3,142,196	2,951,818
Unrestricted	2,884,188	1,741,035	1,065,127	1,013,383	1,434,535
Total business-type activities net assets	<u>17,708,982</u>	<u>16,478,383</u>	<u>16,613,903</u>	<u>16,820,970</u>	<u>20,119,783</u>
Primary government:					
Invested in capital assets, net of related debt	22,307,354	22,127,449	25,275,711	25,330,508	28,564,359
Restricted	7,569,503	7,380,987	5,211,634	4,906,543	4,678,434
Unrestricted	6,287,015	3,906,447	2,640,141	2,757,320	3,700,943
Total primary government net assets	<u>\$ 36,163,872</u>	<u>\$ 33,414,883</u>	<u>\$ 33,127,486</u>	<u>\$ 32,994,371</u>	<u>\$ 36,943,736</u>

	Fiscal Year			
	2008	2009	2010	2011
Governmental Activities:				
Invested in capital assets, net of related debt	\$ 11,206,332	\$ 11,486,309	\$ 11,071,207	\$ 12,420,933
Restricted	1,934,318	1,930,112	1,931,858	2,376,342
Unrestricted	1,542,826	1,372,622	2,158,962	2,348,479
Total governmental activities net assets	<u>14,683,476</u>	<u>14,789,043</u>	<u>15,162,027</u>	<u>17,145,754</u>
Business-Type Activities:				
Invested in capital assets, net of related debt	18,029,266	18,289,766	12,052,123	12,891,636
Restricted	2,867,426	2,990,966	122,231	172,376
Unrestricted	2,712,489	2,762,426	5,632,080	5,376,089
Total business-type activities net assets	<u>23,609,181</u>	<u>24,043,158</u>	<u>17,806,434</u>	<u>18,440,101</u>
Primary government:				
Invested in capital assets, net of related debt	29,235,598	29,776,075	23,123,330	25,312,569
Restricted	4,801,744	4,921,078	2,054,089	2,548,718
Unrestricted	4,255,315	4,135,048	7,791,042	7,724,568
Total primary government net assets	<u>\$ 38,292,657</u>	<u>\$ 38,832,201</u>	<u>\$ 32,968,461</u>	<u>\$ 35,585,855</u>

Note: Data not available prior to fiscal 2003 implementation of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*.

CITY OF BELLE GLADE, FLORIDA

Changes in Net Assets
LAST NINE FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

Fiscal Year Ended 9/30	2003	2004	2005	2006	2007
Expenses					
Governmental activities:					
General government	\$ 1,510,660	\$ 1,427,337	\$ 1,396,517	\$ 1,576,308	\$ 2,051,088
Public safety	5,390,844	6,052,130	5,670,652	5,935,948	4,545,538
Transportation	993,599	1,065,793	1,021,373	1,026,736	977,917
Culture/recreation	995,821	1,108,092	1,090,475	1,178,512	1,241,293
Physical environment	689,733	722,774	652,200	697,444	687,884
Human services	10,500	22,500	15,000	12,000	18,000
Economic environment	254,435	491,451	255,875	262,619	451,843
Interest on long term investments	13,981	13,813	11,710	8,643	4,708
Total Governmental Activities	<u>9,859,573</u>	<u>10,903,890</u>	<u>10,113,802</u>	<u>10,698,210</u>	<u>9,978,271</u>
Business-Type Activities					
Water and sewer	7,112,497	7,626,702	7,390,322	7,278,214	7,739,116
Garbage and solid waste	1,624,317	2,891,633	2,138,544	5,373,514	1,959,540
Marina	646,618	663,740	579,901	700,677	764,032
Stormwater utility	125,751	161,240	146,045	129,180	116,203
Total Business-Type Activities	<u>9,509,183</u>	<u>11,343,315</u>	<u>10,254,812</u>	<u>13,481,585</u>	<u>10,578,891</u>
Total primary government expenses	<u>\$ 19,368,756</u>	<u>\$ 22,247,205</u>	<u>\$ 20,368,614</u>	<u>\$ 24,179,795</u>	<u>\$ 20,557,162</u>
Program Revenues					
Governmental activities:					
Charges for services	\$ 506,613	\$ 793,707	\$ 757,188	\$ 895,439	\$ 866,862
Operating grants and contributions	459,868	1,022,013	790,844	566,360	109,200
Capital contributions	100,371	210,845	281,626	1,055,666	1,657,699
Property taxes	2,023,368	2,130,911	2,312,611	2,404,426	1,944,436
Other taxes	2,338,329	2,418,078	2,499,404	2,648,986	2,692,229
Intergovernmental	1,869,293	1,880,989	2,079,029	2,273,986	2,252,530
Other	548,847	186,869	229,609	513,165	229,320
Total Governmental Activities	<u>7,846,689</u>	<u>8,643,412</u>	<u>8,950,311</u>	<u>10,358,028</u>	<u>9,752,276</u>
Business-Type Activities					
Charges for services	9,518,675	9,559,746	9,853,646	9,144,463	11,094,988
Operating grants and contributions	-	1,184,941	319,952	3,641,601	417,486
Capital contributions	1,662,141	280,665	662,238	401,388	2,823,627
Other	158,695	118,168	295,070	501,200	418,150
Total Business-Type Activities	<u>11,339,511</u>	<u>11,143,520</u>	<u>11,130,906</u>	<u>13,688,652</u>	<u>14,754,251</u>
Total primary government program revenues	<u>\$ 19,186,200</u>	<u>\$ 19,786,932</u>	<u>\$ 20,081,217</u>	<u>\$ 24,046,680</u>	<u>\$ 24,506,527</u>
Excess (deficiency) before transfers					
Governmental activities	\$ (2,012,884)	\$ (2,260,478)	\$ (1,163,491)	\$ (340,182)	\$ (225,995)
Business-Type Activities	1,830,328	(199,795)	876,094	207,067	4,175,360
Total excess before transfers	<u>(182,556)</u>	<u>(2,460,273)</u>	<u>(287,397)</u>	<u>(133,115)</u>	<u>3,949,365</u>
Transfers					
Governmental activities	1,061,000	921,000	740,574		876,547
Business-Type Activities	(1,061,000)	(921,000)	(740,574)		(876,547)
Special Items	-	-	-		-
Increase (decrease) in Net Assets	<u>(182,556)</u>	<u>(2,460,273)</u>	<u>(287,397)</u>	<u>(133,115)</u>	<u>3,949,365</u>
Net Assets - Beginning	<u>36,346,428</u>	<u>35,875,156</u>	<u>33,414,883</u>	<u>33,127,486</u>	<u>32,994,371</u>
Fund Balance - Ending	<u>\$ 36,163,872</u>	<u>\$ 33,414,883</u>	<u>\$ 33,127,486</u>	<u>\$ 32,994,371</u>	<u>\$ 36,943,736</u>

Note: Data not available prior to fiscal year 2003 implementation of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*.
The City has no business-type activities.

2008	2009	2010	2011
\$ 2,360,909	\$ 2,164,330	\$ 2,722,076	\$ 2,718,993
4,507,487	4,425,641	3,658,096	3,618,638
990,270	924,578	1,255,942	1,165,066
1,137,730	656,147	674,850	717,509
721,225	602,432	648,373	662,401
-	-	-	-
117,720	148,915	105,775	68,940
1,951	2,379	410	85,000
<u>9,837,292</u>	<u>8,924,422</u>	<u>9,065,522</u>	<u>9,036,547</u>
8,433,898	9,095,512	443,498	138,609
1,952,712	2,015,533	1,945,975	2,036,527
603,509	457,839	297,635	387,617
198,334	346,208	406,396	447,913
<u>11,188,453</u>	<u>11,915,092</u>	<u>3,093,504</u>	<u>3,010,666</u>
<u>\$ 21,025,745</u>	<u>\$ 20,839,514</u>	<u>\$ 12,159,026</u>	<u>\$ 12,047,213</u>
\$ 721,955	\$ 577,193	\$ 694,726	\$ 700,362
36,031	390,338	367,381	199,770
862,071	812,975	779,464	2,421,706
2,125,465	2,059,062	2,146,641	1,754,345
2,742,996	2,773,357	3,281,288	3,298,615
2,045,141	1,915,425	1,888,233	1,961,627
141,518	96,145	110,065	36,945
<u>8,675,177</u>	<u>8,624,495</u>	<u>9,267,798</u>	<u>10,373,370</u>
11,734,463	11,852,734	3,003,415	2,996,331
550	3,691	10,019	89,155
1,565,492	814,625	1,659,173	1,167,287
213,300	83,513	85,989	38,464
<u>13,513,805</u>	<u>12,754,563</u>	<u>4,758,596</u>	<u>4,291,237</u>
<u>\$ 22,188,982</u>	<u>\$ 21,379,058</u>	<u>\$ 14,026,394</u>	<u>\$ 14,664,607</u>
\$ (1,162,115)	\$ (299,927)	\$ 202,276	\$ 1,336,823
2,325,352	839,471	1,665,092	1,280,571
<u>1,163,237</u>	<u>539,544</u>	<u>1,867,368</u>	<u>2,617,394</u>
(978,362)	405,494	170,708	646,904
978,362	(405,494)	(170,708)	(646,904)
-	-	(7,731,108)	-
<u>1,163,237</u>	<u>539,544</u>	<u>(5,863,740)</u>	<u>2,617,394</u>
<u>37,129,420</u>	<u>38,292,657</u>	<u>38,832,201</u>	<u>32,968,461</u>
<u>\$ 38,292,657</u>	<u>\$ 38,832,201</u>	<u>\$ 32,968,461</u>	<u>\$ 35,585,855</u>

CITY OF BELLE GLADE, FLORIDA
FUND BALANCES, GOVERNMENTAL FUNDS
LAST NINE FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
General Fund					
Reserved	\$ 526,232	\$ 498,649	\$ 508,562	\$ 394,067	\$ 770,619
Unreserved	1,597,109	1,199,397	1,547,223	1,492,092	1,802,684
Undesignated	805,181	323,431	323,432	137,747	219,747
Total general fund	<u>\$ 2,928,522</u>	<u>\$ 2,021,477</u>	<u>\$ 2,379,217</u>	<u>\$ 2,023,906</u>	<u>\$ 2,793,050</u>
All other Governmental Funds					
Reserved	\$ 938,595	\$ 913,945	\$ 859,436	\$ 703,512	\$ 614,619
Unreserved, reported in:					
Special revenue funds	687,213	672,363	761,415	961,302	1,111,997
Capital projects funds	1,047,727	709,530	(109,359)	(45,370)	(414,321)
Undesignated	-	-	-	-	-
Total all other governmental funds	<u>\$ 2,673,535</u>	<u>\$ 2,295,838</u>	<u>\$ 1,511,492</u>	<u>\$ 1,619,444</u>	<u>\$ 1,312,295</u>
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	
General Fund					
Reserved	\$ 201,932	\$ 141,262	\$ 442,408	\$ -	
Unreserved	1,216,655	1,609,840	1,930,239	-	
Undesignated	566,187	-	-	-	
Nonspendable	-	-	-	560,859	
Restricted	-	-	-	1,637,711	
Committed	-	-	-	455,070	
Assigned	-	-	-	2,041,902	
Unassigned	-	-	-	506,833	
Total general fund	<u>\$ 1,984,774</u>	<u>\$ 1,751,102</u>	<u>\$ 2,372,647</u>	<u>\$ 5,202,375</u>	
All other Governmental Funds					
Reserved	\$ 528,950	\$ 454,962	\$ 356,214	\$ -	
Unreserved, reported in:					
Special revenue funds	952,330	1,370,649	1,482,385	-	
Capital projects funds	-	(190,571)	(23,437)	-	
Undesignated	-	-	-	-	
Nonspendable	-	-	-	74,827	
Restricted	-	-	-	283,561	
Committed	-	-	-	-	
Assigned	-	-	-	1,507,400	
Unassigned	-	-	-	-	
Total all other governmental funds	<u>\$ 1,481,280</u>	<u>\$ 1,635,040</u>	<u>\$ 1,815,162</u>	<u>\$ 1,865,788</u>	

Note: Data not available prior to fiscal 2003 implementation of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*.

CITY OF BELLE GLADE, FLORIDA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST NINE FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year				
	2003	2004	2005	2006	2007
Revenues:					
Taxes	\$ 4,361,697	\$ 4,548,989	\$ 4,812,015	\$ 5,053,412	\$ 4,636,665
Licenses and permits	190,255	195,466	241,084	310,095	260,528
Intergovernmental	2,404,502	2,953,265	3,293,615	3,534,010	3,692,166
Charges for services	506,613	497,365	435,959	455,910	469,926
Fines and forfeitures	58,299	64,054	41,962	24,507	39,738
Miscellaneous	954,090	1,146,192	1,103,207	1,772,305	1,746,423
Total revenues	<u>8,475,456</u>	<u>9,405,331</u>	<u>9,927,842</u>	<u>11,150,239</u>	<u>10,845,446</u>
Expenditures					
Current					
General government	2,029,194	2,087,294	2,029,374	2,230,504	2,656,287
Public safety	5,038,334	5,813,243	5,361,854	5,829,048	4,470,873
Transportation	495,915	549,166	512,754	544,788	485,790
Physical environment	680,236	706,805	602,306	670,232	641,559
Human services	10,500	22,500	15,000	12,000	18,000
Culture/recreation	847,933	994,467	931,457	1,009,337	1,062,966
Economic environment	224,679	240,827	221,774	230,179	314,016
Grants and aids					
Capital outlay	265,767	1,075,953	1,336,296	787,303	1,487,632
Debt service					
Principal	57,745	114,644	72,497	75,564	118,167
Interest	13,981	13,813	11,710	8,643	4,708
Total expenditures	<u>9,664,284</u>	<u>11,618,712</u>	<u>11,095,022</u>	<u>11,397,598</u>	<u>11,259,998</u>
Excess of revenues over (under) expenditures	<u>(1,188,828)</u>	<u>(2,213,381)</u>	<u>(1,167,180)</u>	<u>(247,359)</u>	<u>(414,552)</u>
Other financing sources (uses)					
Transfers in	1,154,529	1,086,382	756,746	75,956	1,059,463
Transfers out	(43,529)	(140,382)	(16,172)	(75,956)	(182,916)
Debt proceeds	-	-	-	-	-
Capital lease proceeds	-	161,551	-	-	-
Total other financing sources (uses)	<u>1,111,000</u>	<u>1,107,551</u>	<u>740,574</u>	<u>-</u>	<u>876,547</u>
Net change in fund balances	(77,828)	(1,105,830)	(426,606)	(247,359)	461,995
Fund Balance - Beginning	<u>5,679,885</u>	<u>5,423,145</u>	<u>4,317,315</u>	<u>3,890,709</u>	<u>3,643,350</u>
Fund Balance - Ending	<u>\$ 5,602,057</u>	<u>\$ 4,317,315</u>	<u>\$ 3,890,709</u>	<u>\$ 3,643,350</u>	<u>\$ 4,105,345</u>
Debt service as a percentage of noncapital expenditures	0.77%	1.23%	0.87%	0.80%	1.27%

Note: Data not available prior to fiscal 2003 implementation of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*.

Fiscal Year			
<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
\$ 4,868,461	\$ 4,832,419	\$ 5,427,929	\$ 5,052,960
229,464	186,310	261,357	265,905
2,972,553	3,171,915	2,973,119	3,443,726
321,939	211,435	254,089	255,159
65,933	45,733	69,681	73,024
980,999	666,363	576,571	532,221
<u>9,439,349</u>	<u>9,114,175</u>	<u>9,562,746</u>	<u>9,622,995</u>
3,064,990	2,551,997	2,667,432	2,636,558
4,309,121	4,368,494	3,622,817	3,575,746
615,816	571,369	880,049	879,408
764,840	595,903	643,133	657,805
-	-	-	-
746,572	496,894	516,608	524,291
64,844	110,116	71,733	40,575
			85,000
798,559	867,749	511,471	855,950
16,577	34,680	18,134	-
1,951	2,379	410	-
<u>10,383,270</u>	<u>9,599,581</u>	<u>8,931,787</u>	<u>9,255,333</u>
<u>(943,921)</u>	<u>(485,406)</u>	<u>630,959</u>	<u>367,662</u>
339,166	755,727	384,514	784,938
(103,927)	(350,233)	(213,806)	(138,034)
-	-	-	-
69,391	-	-	-
<u>304,630</u>	<u>405,494</u>	<u>170,708</u>	<u>646,904</u>
(639,291)	(79,912)	801,667	1,014,566
<u>4,105,345</u>	<u>3,466,054</u>	<u>3,386,142</u>	<u>4,187,809</u>
<u>\$ 3,466,054</u>	<u>\$ 3,386,142</u>	<u>\$ 4,187,809</u>	<u>\$ 5,202,375</u>
0.19%	0.43%	0.22%	0.00%

CITY OF BELLE GLADE, FLORIDA
Assessed Value and Actual Value of Taxable Property
LAST TEN FISCAL YEARS

Fiscal Year Ended 9/30	Residential Property	Commercial Property	Industrial Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
2002	-	-	-	-	221,846,123	25.0982
2003	-	-	-	-	227,408,475	25.7341
2004	-	-	-	-	233,638,734	25.3380
2005	-	-	-	-	255,160,235	25.6657
2006	241,205,674	215,078,510	13,952,710	207,508,900	262,727,994	25.3644
2007	305,046,937	227,455,171	20,686,479	245,510,377	307,678,210	24.6838
2008	321,886,426	198,309,115	23,347,420	245,823,634	297,719,327	23.2216
2009	346,673,535	205,755,434	28,250,884	288,211,062	292,468,791	23.3962
2010	319,457,788	188,176,396	25,856,366	258,782,288	274,708,262	25.8070
2011	242,558,590	167,611,817	20,793,524	200,772,362	230,191,569	26.3118

Source: Palm Beach County Property Appraiser's Office.

Note 1: Detail values by property class available from the Palm Beach County Property Appraiser's Office starting in FY 2006.

CITY OF BELLE GLADE, FLORIDA
PROPERTY TAX RATES - DIRECT AND OVERLAPPLING GOVERNMENTS
LAST TEN FISCAL YEARS

Fiscal Year Ended 9/30	City of Belle Glade General Operations	Overlapping Rates				
		Palm Beach County School Board	Palm Beach County Library	Palm Beach County	Palm Beach County Debt	Everglades Construction
2002	8.2190	8.9480	0.5403	4.5500	0.3851	0.1000
2003	9.1181	8.7790	0.5403	4.5000	0.3084	0.1000
2004	9.2000	8.2510	0.5403	4.5000	0.2910	0.1000
2005	9.4000	8.4320	0.5403	4.5000	0.2677	0.1000
2006	9.4100	8.1060	0.6250	4.4500	0.2692	0.1000
2007	6.4300	7.8720	0.5989	4.2800	0.1975	0.1000
2008	6.4300	7.3560	0.5441	3.7811	0.2002	0.0894
2009	6.4300	7.2510	0.5427	3.7811	0.1845	0.0894
2010	6.5419	7.9830	0.5518	4.5614	0.2174	0.0894
2011	6.5419	8.1540	0.6069	4.7500	0.2460	0.0894

Source: Palm Beach County Property Appraisers Office.

Overlapping Rates

Palm Beach County Health Care District	Palm Beach County Fire Rescue	South Florida Water Management District	Children's Services Council	Florida Inland Navigation District	Total Direct and Overlapping Rates
1.1500		0.5970	0.5703	0.0385	25.0982
1.1300		0.5970	0.6228	0.0385	25.7341
1.1300		0.5970	0.6902	0.0385	25.3380
1.1000		0.5970	0.6902	0.0385	25.6657
1.0800		0.5970	0.6887	0.0385	25.3644
0.9700	2.9800	0.5970	0.6199	0.0385	24.6838
0.8900	2.7794	0.5346	0.5823	0.0345	23.2216
0.9975	2.9500	0.5346	0.6009	0.0345	23.3962
1.1451	3.4581	0.5346	0.6898	0.0345	25.8070
1.1451	3.4581	0.5346	0.7513	0.0345	26.3118

CITY OF BELLE GLADE, FLORIDA
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

2011			2001		
Taxpayer	Taxable Assessed Value	Percentage of Total City Net Taxable Assessed Value		Taxable Assessed Value	Percentage of Total City Net Taxable Assessed Value
Florida Power & Light Co	\$ 11,150,343	4.84%	Royals OK Lunch, Inc.	\$ 5,785,760	2.54%
Prince of Belle Glade Gardens LLC	7,707,108	3.35%	PHC Belle Glade, Inc.	5,542,531	2.44%
Royals OK Lunch, Inc.	5,833,770	2.53%	Houston Realty & Investments, Inc.	2,280,986	1.00%
Glade & Grove Supply Co., Inc.	5,108,428	2.22%	Burch Roy E Tr	1,866,531	0.82%
J & D Rentals, Inc.	4,065,327	1.77%	Big Lake Trust	1,599,957	0.70%
Rays Heritage, LLC	3,791,073	1.65%	R&B Properties, Inc.	1,592,389	0.70%
BellSouth Telecommunications, Inc.	3,329,809	1.45%	In Rel Acquisition, Inc.	1,570,000	0.69%
Cypress Cooling LLC	2,988,618	1.30%	Walgreen Co.	1,396,942	0.61%
Glades Plaza Enterprises LLC	2,319,025	1.01%	Sugarland Rentals, Inc.	1,302,903	0.57%
Pioneer Mobile Home Park, Inc.	2,252,500	0.98%	J & D Rentals, Inc.	981,053	0.43%
Total	\$ 48,546,001	21.10%	Total	\$ 23,919,052	10.50%

Source: Palm Beach County Property Appraiser's Office.

CITY OF BELLE GLADE, FLORIDA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year Ended September 30,	Total Taxes Levied for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2002	1,823,353	1,747,477	95.8%	27,915	1,775,392	97.4%
2003	2,086,144	1,990,680	95.4%	32,688	2,023,368	97.0%
2004	2,184,953	2,105,976	96.4%	24,936	2,130,912	97.5%
2005	2,409,010	2,292,475	95.2%	20,136	2,312,611	96.0%
2006	2,480,505	2,390,813	96.4%	11,867	2,402,680	96.9%
2007	2,008,839	1,905,764	94.9%	38,672	1,944,436	96.8%
2008	2,208,148	2,108,034	95.5%	11,969	2,120,003	96.0%
2009	2,180,008	2,007,496	92.1%	49,108	2,056,604	94.3%
2010	2,131,883	2,046,269	96.0%	97,140	2,143,409	100.5%
2011	1,819,881	1,732,182	95.2%	25,786	1,757,968	96.6%

Source: Palm Beach County Tax Collector Office.

CITY OF BELLE GLADE, FLORIDA

Ratios of Outstanding Debt by Type

LAST TEN FISCAL YEARS

Fiscal Year Ended 9/30	Population ⁽¹⁾	Median Family Income ⁽²⁾	Revenue Bonds	Bank Notes	Total	Percentage Personal Income
2002	14,869	28,260	14,640,000	11,614,692	26,254,692	6.25%
2003	14,887	27,360	13,725,000	13,307,152	27,032,152	6.64%
2004	14,956	27,945	12,770,000	13,182,491	25,952,491	6.21%
2005	14,994	27,945	-	22,242,687	22,242,687	5.31%
2006	15,233	28,980	-	20,495,801	20,495,801	4.64%
2007	17,083	26,756	-	18,822,427	18,822,427	4.12%
2008	17,141	28,903	-	34,428,085	34,428,085	6.95%
2009	17,107	28,054	-	32,475,551	32,475,551	6.77%
2010	17,467	25,351	-	-	-	0.00%
2011	17,667	28,641	-	-	-	0.00%

Source: (1) Florida Legislative Office of Economic and Demographic Research
(2) Business Development Board of Palm Beach and U.S. Census

CITY OF BELLE GLADE, FLORIDA
Direct and Overlapping Governmental Activities Debt

As of September 30, 2011	Net General Obligation Bonded Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Governmental Unit			
Debt repaid with property taxes			
Palm Beach School District	\$ 37,215,000	0.19%	\$ 70,709
Palm Beach County	226,545,000	0.19%	<u>430,436</u>
 Subtotal, overlapping debt	 263,760,000		 <u>501,145</u>
City direct debt	-		<u>-</u>
Total direct and overlapping debt	-		<u><u>\$ 501,145</u></u>

Source: Palm Beach County School District
Palm Beach County

CITY OF BELLE GLADE, FLORIDA

Legal Debt Margin Information

Total assessed value (a)	<u>\$ 230,191,569</u>
Legal debt margin:	
Debt limitation - 10% of total assessed value	23,019,157
Total bonded debt outstanding	<u>-</u>
Legal debt margin	<u>\$ 23,019,157</u>

(a) PBC Property Appraiser's Office, Form DR-403

CITY OF BELLE GLADE, FLORIDA
Revenue Bond Coverage
Water and Sewer Bonds
Last Ten Fiscal Years

Fiscal Year	Gross Revenues (1)	Operating Expenses (2)	Net Revenue
2002	7,122,954	4,180,761	2,942,193
2003	6,960,723	4,323,922	2,636,801
2004	6,830,990	4,751,936	2,079,054
2005	7,109,986	4,568,771	2,541,215
2006	7,058,702	4,676,123	2,382,579
2007	8,581,224	5,226,436	3,354,788
2008	9,096,154	5,905,644	3,190,510
2009	9,149,364	6,245,840	2,903,524
2010	-	-	-
2011	-	-	-

(1) Gross revenue includes interest revenue.

(2) Operating expenses excludes depreciation.

(3) Coverage should be not less than 1.00. This changed to 1.10 in 1996 for the Refund Revenue Note and to 1.15 in 1999 for the Notes Payable.

<u>Debt Service Requirements(3)</u>		<u>Coverage (3)</u>	
<u>Refund</u>	<u>Revenue</u>	<u>Revenue</u>	<u>Revenue</u>
<u>Revenue Note</u>	<u>Notes</u>	<u>Bonds</u>	<u>Notes</u>
1,640,722	883,859	1.79	1.47
1,643,533	854,254	1.60	1.16
1,643,048	977,044	1.27	0.45
1,644,448	1,027,798	1.55	0.87
1,279,828	1,035,264	1.86	1.07
1,284,174	1,034,487	2.61	2.00
1,279,643	1,034,487	2.49	1.85
1,281,484	1,034,487	2.27	1.57
-	-	n/a	n/a
-	-	n/a	n/a

CITY OF BELLE GLADE, FLORIDA

Demographic & Economic Information

Fiscal Year Ended 9/30	Population(1)	Median Family Income(2)	Average House Sale(3)	School Enrollment(4)	Unemployment Rate(5)
2002	14,869	28,260	90,000	5,543	12.0%
2003	14,887	27,360	104,000	5,367	16.4%
2004	14,956	27,945	90,000	5,185	16.4%
2005	14,994	27,945	130,000	5,220	16.4%
2006	15,233	28,980	172,500	4,993	10.6%
2007	17,083	26,756	180,000	4,654	12.6%
2008	17,141	28,903	152,498	4,488	16.7%
2009	17,107	28,054	155,000	4,304	25.8%
2010	17,467	25,351	90,000	4,263	27.6%
2011	17,667	28,641	110,000	3,618	15.7%

- Sources:**
- (1) Florida Legislative Committee on Intergovernmental Relation.
 - (2) Median Family Income approximately 46% County Median Income.
 - (3) Florida Housing Data.
 - (4) Palm Beach County School District.
 - (5) Florida Agency for Workforce Innovation

CITY OF BELLE GLADE, FLORIDA

Principal Employers

Current Year and Nine Years Ago

2011				2002			
Employer*	Employees	Rank	Percentage of Total Employment	Employer*	Employees	Rank	Percentage of Total Employment
Palm Beach County School Board	21,495	1	3.46%	Palm Beach County School Board	18,677	1	3.37%
Palm Beach County	11,381	2	1.83%	Palm Beach County	9,000	2	1.63%
State Government	9,200	3	1.48%	State Government	8,705	3	1.57%
Federal Government	6,200	4	1.00%	Federal Government	5,660	4	1.02%
Tenet Healthcare Corp (2)	6,100	5	0.98%				
Florida Power & Light (FPL)	3,635	6	0.58%	Florida Power & Light (FPL)	2,800	8	0.51%
G4S	3,000	7	0.48%				
Hospital Corporation of America (HCA) (1)	2,714	8	0.44%	Hospital Corporation of America (HCA) (1)	4,000	5	0.72%
Florida Atlantic University	2,706	9	0.44%				
Bethesda Memorial Hospital	2,391	10	0.38%				
U.S. Sugar Corporation	-	-	-	U. S. Sugar Corporation	3,000	7	0.54%
Florida Crystals	-	-	-	Florida Crystals	2,000	10	0.36%
Intracoastal Health Systems, Inc. (2)	-	-	-	Intracoastal Health Systems, Inc. (2)	3,040	6	0.55%
Boca Raton Resort & Club	-	-	-	Boca Raton Resort & Club	2,380	9	0.43%
Total	<u>68,822</u>		<u>11.07%</u>	Total	<u>59,262</u>		<u>10.70%</u>

Source: Business Development Board of Palm Beach County

*Employer: Palm Beach County
No information available for the City of Belle Glade

Notes:
(1) Formerly Columbia Palm Beach Health Care System, Inc.
(2) Intracoastal Health Systems, Inc. - now part of Tenet Healthcare Corp.

CITY OF BELLE GLADE, FLORIDA

Full-Time Equivalent City Government Employees by Function/Program

Fiscal Year Ended 9/30	2011
<u>Function/Program</u>	
General Government	
Mayor and Commission	5
City Manager	3
Human Resources	4
City Clerk	3
Public Relations	0.5
Purchasing	1
Finance	8
Information Services	2
Planning	5
Engineering	1
City Garage	6
Building & Grounds	9
Public Safety	
Code Enforcement	2.5
Youth Violence Prevention	2.5
Transportation	
Traffic Control & Signs	1
Street	4
Physical Environment	
Public Works	1
Stormwater	4
Garbage Solid/Waste	20
Culture and Recreation	
Parks and Recreation	5.73
Total	<u><u>88.23</u></u>

Source: City of Belle Glade Human Resources Department

OTHER REPORTS



NOWLEN, HOLT & MINER, P.A.

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL
CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT
AUDITING STANDARDS***

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The Honorable Mayor and
City Commission
City of Belle Glade, Florida

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Belle Glade, Florida as of and for the year ended September 30, 2011, which collectively comprise the City of Belle Glade, Florida's basic financial statements and have issued our report thereon dated October 15, 2012. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

Management of the City of Belle Glade, Florida, is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the City of Belle Glade, Florida's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Belle Glade, Florida's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Belle Glade, Florida's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies, or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material

weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as findings 2008-01 and 2010-02 to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Belle Glade, Florida's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

We noted certain matters that we have reported to the City's management in the Management Letter dated October 15, 2012.

The City of Belle Glade, Florida's responses to the findings identified in our audit are described in the Schedule of Findings and Questioned Costs and in the attached letter. We did not audit the City of Belle Glade, Florida's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of management, City Commission, others within the entity, and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

Nowlen, Holt & Mimes, P.A.

October 15, 2012
Belle Glade, Florida



NOWLEN, HOLT & MINER, P.A.

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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH
REQUIREMENTS THAT COULD HAVE A DIRECT AND
MATERIAL EFFECT ON EACH MAJOR STATE PROJECT
AND ON INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH CHAPTER 10.550 RULES
OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA**

The Honorable Mayor and
City Commission
City of Belle Glade, Florida

Compliance

We have audited the City of Belle Glade, Florida's compliance with the types of compliance requirements described in the Department of Financial Services' *State Projects Compliance Supplement* that could have a direct and material effect on each of the City of Belle Glade, Florida's state projects for the year ended September 30, 2011. The City of Belle Glade, Florida's major state projects are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major state projects is the responsibility of the City of Belle Glade, Florida's management. Our responsibility is to express an opinion on the City of Belle Glade, Florida's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United State of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and Chapter 10.550, Rules of the Florida Auditor General. Those standards and Chapter 10.550, Rules of the Florida Auditor General, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state project occurred. An audit includes examining, on a test basis, evidence about the City of Belle Glade, Florida's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City of Belle Glade, Florida's compliance with those requirements.

In our opinion, the City of Belle Glade, Florida, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state projects for the year ended September 30, 2011. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance with Chapter 10.550, Rules of the Florida Auditor General and which is described in the accompanying Schedule of Findings and Questioned Costs as item 2010-03.

Internal Control over Compliance

Management of the City of Belle Glade, Florida, is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to state projects. In planning and performing our audit, we considered the City of Belle Glade, Florida's internal control over compliance with requirements that could have a direct and material effect on a major state project in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with Chapter 10.550, Rules of the Florida Auditor General, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of City of Belle Glade, Florida's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a state project on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state project will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 2008-03 to be a material weakness.

We noted certain matters that we have reported to the City's management in the Management Letter dated October 15, 2012.

The City of Belle Glade, Florida's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs and in the attached letter. We did not audit the City of Belle Glade, Florida's responses and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of management, City Commission, others within the entity, state awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

Nowlen, Holt & Mimer, P.A.

October 15, 2012
Belle Glade, Florida

CITY OF BELLE GLADE, FLORIDA
Schedule of Expenditures of State Financial Assistance
For the Fiscal Year Ended September 30, 2011

State Grantor/Pass-Through Grantor/Program Title	CFSA Number	Agency or Pass-Through Number	Expenditures
State Financial Assistance:			
<u>Florida Department of Environmental Protection</u>			
Florida Recreation Development Assistance Program	37.017	A9166	\$ 24,865
Solid Waste Special Projects	37.074	S0433	<u>26,094</u>
Total Florida Department of Environmental Protection			50,959
<u>Florida Department of Transportation</u>			
Aviation Development Grants	55.004	API72	21,700
Local Transit Service Grants	55.002	APJ13	350,248
Local Transit Service Grants	55.002	AQW40	<u>9,081</u>
Total Local Transit Service Grants			359,329
Total Florida Department of Transportation			381,029
<u>Executive Office of the Governor</u>			
Local Economic Development Initiatives	31.027	OT07-014	<u>664,126</u>
Total State Financial Assistance			<u><u>\$ 1,096,114</u></u>

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

The schedule of expenditures of state financial assistance includes the state grant activity of the City of Belle Glade, Florida for the year ended September 30, 2011, and is presented in accordance with the requirements of Chapter 10.550, Rules of the Florida Auditor General. The schedule has been prepared in accordance with generally accepted accounting principals.

NOTE 2 - CONTINGENCY

Amounts received or receivable from grantor agencies are subject to audit and adjustment by those agencies. Any disallowed claims, including amounts already received, might constitute a liability of the City for the return of those funds. In the opinion of management, all grant expenditures were in compliance with the terms of the grant agreements and applicable federal and state laws and regulations.

CITY OF BELLE GLADE, FLORIDA
Schedule of Findings and Questioned Costs
September 30, 2011

Section I—Summary of Auditors’ Results

Financial Statements

Type of auditors’ report issued: Unqualified

Internal control over financial reporting:

- Material weakness identified? X yes no
- Significant deficiency identified that is not considered to be a material weakness? yes X none reported

Noncompliance material to financial statements noted? yes X no

State Projects

Internal control over major projects:

- Material weakness identified? X yes no
- Significant deficiency identified that is not considered to be a material weakness? yes X none reported

Type of auditors’ report issued on compliance for major project: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section Chapter 10.550, Rules of the Florida Auditor General? X yes no

Identification of Major Programs

<u>CSFA Numbers</u>	<u>Name of State Project</u>
	<u>Executive Office of the Governor</u>
31.027	• Local Economic Development Initiatives
	<u>Florida Department of Transportation</u>
55.027	• Local Transit Service Grants

Dollar threshold used to distinguish between type A and type B programs: \$300,000

CITY OF BELLE GLADE, FLORIDA
Schedule of Findings and Questioned Costs
September 30, 2011

Section II—Financial Statement Findings

Finding 2008-01

Condition: The City has procedures in place that require one person to oversee all grants; however, during the fiscal year ended September 30, 2011, various grants were administered by several different staff positions. As a result, staff had difficulties in locating grant files and supporting documentation and in ascertaining the status of some of the grants. We also noted that reimbursement requests were filed late, were missing supporting documentation, transactions were not being timely recorded and grant files were unorganized.

Criteria: To have effective internal control over grant administration and compliance, it is important that there is one person responsible for administration and monitoring compliance over all City grant programs with review and oversight by another person and/or department.

Effect: This results in difficulties in locating grant documentation, ascertaining grant status, late filing of reimbursement requests, and untimely recording of grant transactions.

Recommendation: We recommend someone be designated to oversee grants. We also recommend that written procedures be put in place for the evaluation of all grant proposals before submission. Also, a standard set of written policies and procedures should be developed for monitoring grant administration and compliance requirements. These procedures should include developing checklists of grant administration and compliance requirements, deadlines, recording transactions, person/department responsible for the grant and a review process.

Management response: Staff asserts it has made significant improvements to the City's grant process during the fiscal year. Staff has been shifting more of the grant responsibilities to the Grant Manager with oversight by the Chief Accountant in order to centralize grant responsibilities. Staff anticipates completing the shift of responsibilities sometime in fiscal year 2012. Staff anticipates written policies and procedures will be in place in fiscal year 2013. The policies and procedures will include evaluating all grant proposals before submission, evaluating grant applications, monitoring of grants to include a checklist for compliance requirements, deadlines, and recording of transactions. The written policies and procedures will include fixing the responsibilities/duties of the person/department responsible for the grant program.

CITY OF BELLE GLADE, FLORIDA
Schedule of Findings and Questioned Costs
September 30, 2011

Section II—Financial Statement Findings (Continued)

Finding 2009-02

Condition: The City maintains the detailed fixed asset records on an Excel spreadsheet. Fixed asset maintenance duties such as recording additions, deletions, depreciation, and transfers are done manually on the Excel spreadsheet. We also noted assets were disposed of during the year that did not have a fixed asset disposal forms making it impossible to determine the proper period to record the disposal.

Criteria: To prevent errors and omissions, fixed asset software should be purchased to maintain the detailed fixed assets and fixed asset disposal forms should be filled out for fixed asset disposals.

Effect: Maintaining the detailed fixed asset records on an Excel spreadsheet increases the risk of materially misstating fixed assets due to spreadsheet formula errors. Not filling out disposal forms increases the risk of materially misstating fixed assets due to disposing an asset in the wrong year and also could result in disposing of an asset without proper authorization.

Recommendation: We recommend that the City purchase fixed asset software to maintain the detailed fixed asset records. The best software package would be one that would integrate with the City's general ledger software. In addition, we recommend that the City complete fixed asset disposal forms and reconcile the general ledger control account to the detailed subsidiary ledger on at least a monthly basis.

Management Response: The City's new fixed asset software is scheduled to be implemented in fiscal year 2013 that will allow staff to monitor assets from the time of purchase and calculate the depreciation expense. In the meantime, Finance held a training workshop to review the City's fixed asset policy and procedures with management emphasizing on the process by which fixed assets are disposed of or sold.

CITY OF BELLE GLADE, FLORIDA
Schedule of Findings and Questioned Costs
September 30, 2011

Section III—State Projects Findings and Questioned Costs

Major State Projects

Executive Office of the Governor
Local Economic Development Initiatives CSFA No. 31.027
Award Number: OT07-014

Florida Department of Transportation
Local Transit Service Grant CSFA No. 55.012
Award No. APJ13 and AQE40

Finding 2008-03

Condition: The City has procedures in place that require one person to oversee all grants; however, during the fiscal year ended September 30, 2011, various grants were administered by several different staff positions. As a result, staff had difficulties in locating grant files and supporting documentation and in ascertaining the status of some of the grants. We also noted that reimbursement requests were filed late, were missing supporting documentation, transactions were not being timely recorded and grant files were unorganized.

See comment 2008-01 for additional information.

Finding 2010-03

Condition: The Executive Office of the Governor Local Economic Development Initiatives Grant requires the City to repay all interest earned from funds received on a quarterly basis. The City has not repaid any interest earned to date. At September 30, 2011, the City has earned \$54,311 of interest.

Criteria: Interest should be repaid quarterly as required by the grant agreement.

Effect: Non compliance with the grant requirement.

Recommendation: We recommend that the City review grant agreements to identify requirements and establish a timetable for the preparation and submission of reports and payments for each grant.

Management Response: Staff has made arrangements to remit the interest earnings owed to the Executive Office of the Governor, Office of Tourism Trade and Economic Development and the payment was made during fiscal year 2012. The interest earned from funds received on the Boat Lock (OTTED) Grant will be refunded on a quarterly basis.

CITY OF BELLE GLADE, FLORIDA
Summary Schedule of Prior Audit Findings
September 30, 2011

Finding 2008-03

Condition: The City has procedures in place that require one person to oversee all grants; however, during the fiscal year ended September 30, 2011, various grants were administered by several different staff positions. As a result, staff had difficulties in locating grant files and supporting documentation and in ascertaining the status of some of the grants. We also noted that reimbursement requests were filed late, were missing supporting documentation, transactions were not being timely recorded and grant files were unorganized.

Current Status: The finding still applies.

Finding 2008-04

Condition: The City did not have appropriate internal controls over grants to ensure that grant funds are being spent in accordance with grant conditions and with City policies and procedures. While testing the reimbursement requests many of the invoices and transactions lacked documentation that appropriate approval was obtained before purchases were made, appropriate receiving and payment approvals were obtained.

Current Status: Corrective actions have been taken to address this finding.



NOWLEN, HOLT & MINER, P.A.

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MANAGEMENT LETTER IN ACCORDANCE WITH THE RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

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The Honorable Mayor and City Commission
City of Belle Glade, Florida

We have audited the basic financial statements of the City of Belle Glade, Florida, as of and for the year ended September 30, 2011, and have issued our report thereon dated October 15, 2012.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. We have issued our Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*. Disclosures in that report, which is dated October 15, 2012, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with the Chapter 10.550, Rules of the Auditor General, which governs the conduct of local government entity audits in the State of Florida. This letter includes the following information, which was not included in the aforementioned auditor's reports.

PRIOR YEAR COMMENTS WHICH CONTINUE TO APPLY

Rules of the Auditor General require that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. We noted that the *Recreation Development Grants* and the *Bank Reconciliations* comments made in the prior year was adequately addressed and no longer apply.

As noted in the Schedule of Findings and Questioned Costs, Findings 2008-01, 2008-03 and 2009-02 are prior year comments that continue to apply. These comments were included in the audit reports for the prior two years. Finding 2010-03 is a prior year comment that continues to apply. The other prior year comments that continue to apply are Findings 2007-01 and 2008-05 which are presented below. These comments were included in the audit reports for the prior two years.

Finding 2007-01 – General Employees’ Pension Fund

Condition: We noted that the yearly pension activity for contributions, administrative fees, investment fees, and investment earnings was not reconciled properly to agree to the Pension Trust statements or to the actuarial report for the General Employees’ and Public Safety Officers’ Pension Funds. We recommend that the City implement procedures to ensure that the pension activity is reconciled to the Pension Trust statements on a monthly basis.

Finding 2008-05 – FEMA Deferred Revenue in Marina Fund

During our grant testing we noted the Marina Fund has a balance of \$829,653 of Deferred Revenue from FEMA. FEMA has not conducted the final close out therefore the amount due to FEMA has not yet been determined, but the current Deferred Revenue is more than available cash on hand. We recommend the City have FEMA conduct the final close out and determine the amount to be repaid and make the necessary transfer of funds to have available cash.

CURRENT YEAR COMMENTS

Investment of Public Funds

Rules of the Auditor General require our audit to include a review of the City’s compliance with Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, the results of our procedures did not disclose any instances of noncompliance with Section 218.415, Florida Statutes.

Recommendations to Improve Financial Management

Rules of the Auditor General require that we address in the Management Letter any recommendations to improve financial management. In connection with our audit, we noted the following item:

Finding 2011-03 – Investment Policy

The City’s investment policy’s guidelines for authorized investments is that all fixed income investments shall have a minimum rating of “A” or higher as reported by a major credit rating service. During our review of the pension fund’s investment ratings we noted some investments that had a rating less than “A”. We recommend the City inquire with their Pension Administer as to whether or not investments with a rating below an “A” are in noncompliance with the Fund’s policy.

Violations of Laws, Regulations, Contracts and Grant Provisions or Abuse

Rules of the Auditor General require that we address violations of provisions of contracts or grant agreements or abuse that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but more than inconsequential. In connection with our audit for the fiscal year ended September 30, 2011, we did not have any such findings.

Matters Inconsequential to the Financial Statements

Rules of the Auditor General provide that the auditor may, based on professional judgment, report the following matters that have an inconsequential effect on financial statements, considering both quantitative and qualitative factors: (1) violations of provisions of contracts or grant agreements, fraud, illegal acts, or abuse; and (2) deficiencies in internal control that are not significant deficiencies. In connection with our audit for the fiscal year ended September 30, 2011, we noted the following item.

Finding 2011-01 – Timely Submission of Reports

Florida Statutes require audit reports to be filed within nine months of the fiscal year end. We noted that the report was not filed timely for the fiscal year ending September 30, 2011.

Oversight Unit and Component Units

Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. This information is disclosed in Note 1 to the financial statements, but has been repeated here.

The City of Belle Glade, Florida is a municipal corporation organized pursuant to Chapter 61 - 1880 Laws of Florida, a special act 1980 as amended. Based upon the application of criteria defined in publications cited in Chapter 10.553, Rules of the Auditor General, the City has determined that the Public Safety Officers', Police Officers', and Firefighters' Retirement Systems are component units of the City and are included in the basic financial statements of the City as pension trust funds.

Consideration of Financial Emergency Criteria

Rules of the Auditor General require a statement be included as to whether or not the local government entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, the results of our procedures did not disclose that the City of Belle Glade has met any of the conditions described in Section 218.503(1) during the fiscal year ended September 30, 2011.

Annual Financial Report

Rules of the Auditor General require that we determine whether the annual financial report for the City of Belle Glade for the fiscal year ended September 30, 2011, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the fiscal year ended September 30, 2011. In connection with our audit, we noted that the two reports were in substantial agreement.

Financial Condition Assessment Procedures

Rules of the Auditor General require that we apply financial condition assessment procedures. It is management's responsibility to monitor the City of Belle Glade's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same. In connection with our audit for the fiscal year ended September 30, 2011, we applied financial condition assessment procedures. The results of our procedures did not disclose any matters that are required to be reported.

Finding 2011-02 – Excess of Expenditures Over Appropriations

As reported in Note 2 to the financial statements for the year ended September 30, 2011, the General Fund had certain expenditures in excess of budgeted amounts contrary to Section 166.241(2), Florida Statutes.

Response to Management Letter

We did not audit management's response to the management letter presented on page 124 and express no opinion on it

Pursuant to Chapter 119, Florida Statutes, this Management Letter is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this letter is intended solely for the information and use of management, the Florida Auditor General, and grant awarding agencies, and is not intended to be and should not be used by anyone other than these specified parties.

Nowlen, Holt & Mimer, P.A.

October 15, 2012
Belle Glade, Florida



City of Belle Glade

Department of Finance

A Municipal Corporation since
September 11, 1945

MEMORANDUM

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Fax: 561-992-2215

www.bellegladegov.com

Commissioners

Steve B. Wilson
Mayor

Mary Ross Wilkerson
Vice Mayor

Michael C. Martin
Treasurer

Johnny Burroughs, Jr.

Larry Underwood

Lomax Harrelle
City Manager

To : Honorable Mayor and City Commission

Thru : Lomax Harrelle, City Manager

From : Diana L. Hughes, Assistant Finance Director

Date : October 15, 2012

Subject: Management Letter Comments – Fiscal Year 2011 Audit Report

The Auditor's Management Letter for fiscal year end September 30, 2011 includes one (1) comment from fiscal year 2007, two (2) comments from fiscal year 2008, one (1) comment from fiscal year 2009, one (1) comment from fiscal year 2010, and three (3) new comments for the year ended September 30, 2011.

PRIOR YEAR COMMENT RESPONSES

1. Grant Administration and Monitoring

Staff asserts that significant improvements have been made to the City's grant process during the fiscal year. Staff has been shifting more of the grant responsibilities to the Grant Manager with oversight by the Chief Accountant in order to centralize grant responsibilities. Staff anticipates completing the shift of responsibilities sometime in fiscal year 2012.

Staff anticipates having written policies and procedures in place in fiscal year 2013. The policies and procedures will include evaluating all grant proposals before submission, evaluating grant applications, monitoring grants to include checklist for compliance requirements, deadlines, and recording of transactions. The written policies and procedures will include fixing the responsibilities/duties of the person/department responsible for the grant program.

2. FEMA Deferred Revenue in Marina Fund

The City is currently working with FEMA representatives to close out the FEMA related projects in the Marina Fund.

3. General Employees' Pension Fund

Procedures have been implemented for the reconciliation of the General Employees and Public Safety Officers pension trustee statement on a monthly basis. The September 30, 2012 reconciliation between the trustee and the actuarial reports will be performed as soon as the actuarial reports are received.

4. Monitoring Fixed Assets

The City's new asset software is scheduled to be implemented sometime in the beginning of calendar year 2013. The new system will allow staff to monitor assets from the time of purchase and calculate the depreciation expense. In the meantime, Finance held a training workshop to review the City's asset policy and procedures with management emphasizing the process by which assets are disposed of or sold.

5. Grant Compliance

Staff made arrangements to remit the interest earnings owed to the Executive Office of the Governor, Office of Tourism Trade and Economic Development and the payment was made during fiscal year 2012. The interest earned from funds received on the Boat Lock (OTTED) Grant will be refunded on a quarterly basis.

CURRENT YEAR COMMENT RESPONSE

6. Timely Submission of Reports

Management realizes that the reports required for fiscal year ending September 2011 were not filed in a timely manner, however, staff fully expects that the audit report and all other required reports will be filed in a timely manner for the year ending September 30, 2012. City staff and the city auditors encountered several unanticipated audit problems that delayed the audit including accounts receivable and reconciliation data from the Glades Utility Authority and the reconciliation of the pension actuarial reports.

7. Excess of Expenditures Over Appropriations

Expenditures in excess of appropriations involved unbudgeted bad debt expenses. Since the City has its final budget adjustment by November 30th it is impossible to provide appropriations for these unanticipated types of expenses.

8. Investment Policy

The City will inquire with their Pension Administrator as to whether or not investments with a rating below an "A" are in noncompliance with the fund's policy.

Submitted by:



Lomax Harrelle, City Manager

Prepared by:



Diana L Hughes, Assistant Finance Director